

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6032

Chapter 299, Laws of 2018
(partial veto)

65th Legislature
2018 Regular Session

OPERATING BUDGET--SUPPLEMENTAL

EFFECTIVE DATE: March 27, 2018

Passed by the Senate March 8, 2018
Yeas 25 Nays 24

CYRUS HABIB

President of the Senate

Passed by the House March 8, 2018
Yeas 54 Nays 44

FRANK CHOPP

Speaker of the House of Representatives

Approved March 27, 2018 3:25 PM with
the exception of Sections 119(8),
129(21), 135(4), 146(10), 307 lines
14-15, 308(21), 502(1)(h), 504(2),
606(23)(b), 908(3), 103(9), 122(3),
127(56), 135(6), 140(7), 141(4),
146(7), 148(10), 205(1)(w), 206(30),
and 501(51) which are vetoed.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Brad Hendrickson, Secretary of
the Senate of the State of
Washington, do hereby certify that
the attached is **ENGROSSED
SUBSTITUTE SENATE BILL 6032** as
passed by Senate and the House of
Representatives on the dates hereon
set forth.

BRAD HENDRICKSON

Secretary

FILED

March 29, 2018

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6032

AS AMENDED BY THE CONFERENCE COMMITTEE

Passed Legislature - 2018 Regular Session

State of Washington 65th Legislature 2018 Regular Session

By Senate Ways & Means (originally sponsored by Senators Rolfes and Braun; by request of Office of Financial Management)

READ FIRST TIME 02/22/18.

1 AN ACT Relating to fiscal matters; amending RCW 43.41.433,
2 28B.20.476, 41.26.802, 69.50.530, 69.50.540, 70.105D.070, 76.04.610,
3 77.12.203, 79.105.150, 82.19.040, 86.26.007, 90.56.500, 18.39.810,
4 43.79.445, 39.12.080, and 43.350.070; amending 2017 3rd sp.s. c 1 ss
5 101, 102, 103, 104, 105, 106, 107, 108, 110, 111, 112, 113, 114, 115,
6 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129,
7 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143,
8 144, 148, 145, 147, 149, 150, 201, 202, 203, 204, 205, 206, 207, 208,
9 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222,
10 223, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 401, 402,
11 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514,
12 515, 516, 518, 519, 520, 605, 606, 607, 608, 609, 610, 611, 612, 613,
13 614, 615, 616, 617, 618, 619, 620, 701, 703, 708, 720, 721, 722, 723,
14 724, 718, 718, 801, 805, 936, 937, 942, and 944 (uncodified);
15 amending 2017 c 290 s 2 (uncodified); adding new sections to 2017 3rd
16 sp.s. c 1 (uncodified); adding a new section to chapter 43.79 RCW;
17 repealing 2017 3rd sp.s. c 1 s 737 (uncodified); making
18 appropriations; providing expiration dates; and declaring an
19 emergency.

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

21

PART I

GENERAL GOVERNMENT

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

FOR THE HOUSE OF REPRESENTATIVES

| | |
|---|------------------------------------|
| General Fund—State Appropriation (FY 2018) | ((\$37,642,000)) |
| | <u>\$35,641,000</u> |
| General Fund—State Appropriation (FY 2019) | ((\$39,205,000)) |
| | <u>\$37,586,000</u> |
| (Motor Vehicle Account—State Appropriation | \$2,011,000)) |
| <u>Pension Funding Stabilization Account—State</u> | |
| <u>Appropriation</u> | <u>\$4,280,000</u> |
| TOTAL APPROPRIATION | ((\$78,858,000)) |
| | <u>\$77,507,000</u> |

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

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

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

1 findings and recommendations shall be submitted to the appropriate
2 committees of the legislature by December 2017.

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

7 ~~((+5))~~ (4) \$100,000 of the performance audits of government
8 account—state appropriation is provided solely for an evaluation of:
9 (a) The adequacy and effectiveness of the department of commerce
10 office of youth homelessness performance based contracting with
11 homelessness service providers; and (b) compliance with the
12 performance measurement, reporting, and quality award program
13 application requirements of chapter 43.185C RCW.

14 ~~((+6))~~ (5) The agency is directed to use its moneys in the
15 savings incentive account for one-time relocation, furniture,
16 equipment, and tenant improvements costs to move to the 1063
17 building.

18 ~~((+7))~~ (6)(a) \$250,000 of the performance audit of government—
19 state appropriation is provided solely for the committee to conduct a
20 study of the employment services and community access services
21 provided by the department of social and health services for
22 individuals with a developmental disability. The study should explore
23 the following topics:

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

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

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

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

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

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

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

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

6 (7) \$32,000 of the performance audits of government account—state
7 appropriation is provided solely for implementation of Second
8 Engrossed Substitute House Bill No. 1508 (student meals and
9 nutrition). If the bill is not enacted by June 30, 2018, the amount
10 provided in this subsection shall lapse.

11 (8) \$132,000 of the performance audits of government account—
12 state appropriation is provided solely for implementation of
13 Engrossed Fourth Substitute Senate Bill No. 5251 (tourism marketing).
14 If the bill is not enacted by June 30, 2018, the amount provided in
15 this subsection shall lapse.

16 (9) \$16,000 of the performance audits of government—state
17 appropriation is provided solely for implementation of Substitute
18 House Bill No. 1154 (fishing and seafood processing). If the bill is
19 not enacted by June 30, 2018, the amount provided in this subsection
20 shall lapse.

21 (10) \$14,000 of the performance audits of government—state
22 appropriation is provided solely for implementation of Substitute
23 House Bill No. 2269 (adaptive automotive equipment tax). If the bill
24 is not enacted by June 30, 2018, the amount provided in this
25 subsection shall lapse.

26 (11) \$13,000 of the performance audits of government—state
27 appropriation is provided solely for implementation of Substitute
28 House Bill No. 2448 (developmental disability housing/tax). If the
29 bill is not enacted by June 30, 2018, the amount provided in this
30 subsection shall lapse.

31 (12) \$22,000 of the performance audits of government—state
32 appropriation is provided solely for implementation of Substitute
33 House Bill No. 2580 (renewable natural gas). If the bill is not
34 enacted by June 30, 2018, the amount provided in this subsection
35 shall lapse.

**Sec. 103 was partially vetoed. See message at end of chapter.*

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

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

2 Performance Audits of Government—State

3 Appropriation. \$4,175,000

4 The appropriation in this section is subject to the following
5 conditions and limitations: The agency is directed to use ((its))
6 moneys in the savings incentive account for one-time relocation,
7 furniture, equipment, and tenant improvements costs to move to the
8 1063 building.

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

11 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

12 General Fund—State Appropriation (FY 2018). ((~~\$10,730,000~~))
13 \$10,320,000

14 General Fund—State Appropriation (FY 2019). ((~~\$10,254,000~~))
15 \$10,802,000

16 Pension Funding Stabilization Account—State

17 Appropriation. \$825,000

18 TOTAL APPROPRIATION. ((~~\$20,984,000~~))

19 \$21,947,000

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

22 **FOR THE OFFICE OF THE STATE ACTUARY**

23 General Fund—State Appropriation (FY 2018). ((~~\$302,000~~))
24 \$288,000

25 General Fund—State Appropriation (FY 2019). ((~~\$308,000~~))
26 \$293,000

27 State Health Care Authority Administrative Account—State

28 Appropriation. \$406,000

29 Department of Retirement Systems Expense

30 Account—State Appropriation. ((~~\$5,110,000~~))
31 \$5,106,000

32 Pension Funding Stabilization Account—State

33 Appropriation. \$28,000

34 TOTAL APPROPRIATION. ((~~\$6,126,000~~))

35 \$6,121,000

36 The appropriations in this section are subject to the following
37 conditions and limitations: The office shall provide actuarial

1 support to the Washington state institute for public policy for the
2 study of single payer and universal coverage health care systems
3 described in section 606(15) of this act. The office may use funding
4 previously provided for legislative health care actuarial analysis
5 for this purpose.

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

8 **FOR THE STATUTE LAW COMMITTEE**

| | | |
|----|---|-------------------------------|
| 9 | General Fund—State Appropriation (FY 2018). | ((\$4,936,000)) |
| 10 | | <u>\$4,649,000</u> |
| 11 | General Fund—State Appropriation (FY 2019). | ((\$5,455,000)) |
| 12 | | <u>\$5,161,000</u> |
| 13 | <u>Pension Funding Stabilization Account—State</u> | |
| 14 | <u>Appropriation.</u> | <u>\$568,000</u> |
| 15 | TOTAL APPROPRIATION. | ((\$10,391,000)) |
| 16 | | <u>\$10,378,000</u> |

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

19 **FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES**

| | | |
|----|---|------------------------------|
| 20 | General Fund—State Appropriation (FY 2018). | ((\$4,043,000)) |
| 21 | | <u>\$3,823,000</u> |
| 22 | General Fund—State Appropriation (FY 2019). | ((\$4,485,000)) |
| 23 | | <u>\$4,261,000</u> |
| 24 | <u>Pension Funding Stabilization Account—State</u> | |
| 25 | <u>Appropriation.</u> | <u>\$438,000</u> |
| 26 | TOTAL APPROPRIATION. | ((\$8,528,000)) |
| 27 | | <u>\$8,522,000</u> |

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

30 **FOR THE SUPREME COURT**

| | | |
|----|---|------------------------------|
| 31 | General Fund—State Appropriation (FY 2018). | ((\$8,046,000)) |
| 32 | | <u>\$7,712,000</u> |
| 33 | General Fund—State Appropriation (FY 2019). | ((\$8,368,000)) |
| 34 | | <u>\$8,025,000</u> |
| 35 | <u>Pension Funding Stabilization Account—State</u> | |
| 36 | <u>Appropriation.</u> | <u>\$671,000</u> |

1 TOTAL APPROPRIATION. ((~~\$16,414,000~~))
2 \$16,408,000

3 **Sec. 110.** 2017 3rd sp.s. c 1 s 111 (uncodified) is amended to
4 read as follows:
5 **FOR THE LAW LIBRARY**

6 General Fund—State Appropriation (FY 2018). ((~~\$1,685,000~~))
7 \$1,622,000
8 General Fund—State Appropriation (FY 2019). ((~~\$1,714,000~~))
9 \$1,652,000

10 Pension Funding Stabilization Account—State
11 Appropriation. \$128,000

12 TOTAL APPROPRIATION. ((~~\$3,399,000~~))
13 \$3,402,000

14 **Sec. 111.** 2017 3rd sp.s. c 1 s 112 (uncodified) is amended to
15 read as follows:
16 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

17 General Fund—State Appropriation (FY 2018). ((~~\$1,340,000~~))
18 \$1,247,000
19 General Fund—State Appropriation (FY 2019). ((~~\$1,236,000~~))
20 \$1,203,000

21 Pension Funding Stabilization Account—State
22 Appropriation. \$130,000

23 TOTAL APPROPRIATION. ((~~\$2,576,000~~))
24 \$2,580,000

25 **Sec. 112.** 2017 3rd sp.s. c 1 s 113 (uncodified) is amended to
26 read as follows:
27 **FOR THE COURT OF APPEALS**

28 General Fund—State Appropriation (FY 2018). ((~~\$18,077,000~~))
29 \$17,342,000
30 General Fund—State Appropriation (FY 2019). ((~~\$18,860,000~~))
31 \$18,066,000

32 Pension Funding Stabilization Account—State
33 Appropriation. \$1,477,000

34 TOTAL APPROPRIATION. ((~~\$36,937,000~~))
35 \$36,885,000

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

3 **FOR THE ADMINISTRATOR FOR THE COURTS**

| | | |
|----|---|--------------------------------|
| 4 | General Fund—State Appropriation (FY 2018). | ((\$56,910,000)) |
| 5 | | <u>\$55,112,000</u> |
| 6 | General Fund—State Appropriation (FY 2019). | ((\$58,751,000)) |
| 7 | | <u>\$58,597,000</u> |
| 8 | General Fund—Federal Appropriation. | ((\$2,175,000)) |
| 9 | | <u>\$2,174,000</u> |
| 10 | General Fund—Private/Local Appropriation. | ((\$677,000)) |
| 11 | | <u>\$676,000</u> |
| 12 | Judicial Information Systems Account—State | |
| 13 | Appropriation. | ((\$58,486,000)) |
| 14 | | <u>\$61,089,000</u> |
| 15 | Judicial Stabilization Trust Account—State | |
| 16 | Appropriation. | \$6,691,000 |
| 17 | <u>Pension Funding Stabilization Account—State</u> | |
| 18 | <u>Appropriation.</u> | <u>\$4,580,000</u> |
| 19 | TOTAL APPROPRIATION. | ((\$183,690,000)) |
| 20 | | <u>\$188,919,000</u> |

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

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

28 (2) \$1,399,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$1,399,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for school districts for
31 petitions to juvenile court for truant students as provided in RCW
32 28A.225.030 and 28A.225.035. The administrator for the courts shall
33 develop an interagency agreement with the superintendent of public
34 instruction to allocate the funding provided in this subsection.
35 Allocation of this money to school districts shall be based on the
36 number of petitions filed. This funding includes amounts school
37 districts may expend on the cost of serving petitions filed under RCW
38 28A.225.030 by certified mail or by personal service or for the

1 performance of service of process for any hearing associated with RCW
2 28A.225.030.

3 (3)(a) \$7,313,000 of the general fund—state appropriation for
4 fiscal year 2018 and \$7,313,000 of the general fund—state
5 appropriation for fiscal year 2019 are provided solely for
6 distribution to county juvenile court administrators to fund the
7 costs of processing truancy, children in need of services, and at-
8 risk youth petitions. The administrator for the courts, in
9 conjunction with the juvenile court administrators, shall develop an
10 equitable funding distribution formula. The formula shall neither
11 reward counties with higher than average per-petition processing
12 costs nor shall it penalize counties with lower than average per-
13 petition processing costs.

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

25 (4) \$12,000,000 of the judicial information systems account—state
26 appropriation is provided solely for the continued implementation of
27 the superior courts case management system. Of the amount
28 appropriated, \$8,300,000 is provided solely for expenditures in
29 fiscal year 2018. The remaining appropriation of \$3,700,000 is
30 provided solely for expenditures in fiscal year 2019 and shall lapse
31 and remain unexpended if the superior court case management system is
32 not live and fully functional in Cowlitz, Grays Harbor, Klickitat,
33 Mason, Pacific, and Skamania counties by July 1, 2017, and Clallum,
34 Jefferson, Kitsap, Skagit, and Whatcom counties by January 1, 2018.

35 (5) \$4,339,000 of the judicial information systems account—state
36 appropriation is provided solely for the information network hub
37 project.

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

4 (i) The superior court case management system;

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

6 (iii) (~~(Equipment—replacement)~~) The appellate court case
7 management system; and

8 (iv) Support staff for information technology projects.

9 (b) Expenditures from the judicial information systems account
10 shall not exceed available resources. The office must coordinate with
11 the steering committee for the superior court case management system
12 and the steering committee for the courts of limited jurisdiction
13 case management system to prioritize expenditures for judicial branch
14 information technology projects. For any competitive procurement
15 using amounts appropriated, the office of the chief information
16 officer must review the qualifications and proposed work plan of the
17 apparently successful bidder prior to final selection and review the
18 proposed vendor contract prior to its execution. The office shall not
19 enter into any contract using appropriated amounts that would cause
20 total information technology expenditures to exceed projected
21 resources in the judicial information systems account in the
22 2019-2021 fiscal biennium.

23 (7) (~~(\$406,000)~~) \$811,000 of the general fund—state appropriation
24 for fiscal year 2018 (~~(and \$405,000 of the general fund—state~~
25 ~~appropriation for fiscal year 2019 are)~~) is provided solely for the
26 statewide fiscal impact on Thurston county courts. The administrative
27 office of the courts must collaborate with Thurston county to create
28 a new fee formula that accurately represents the state's impact on
29 Thurston county courts.

30 (8) \$53,000 of the general fund—state appropriation for fiscal
31 year 2018 is provided solely for implementation of chapter 272, Laws
32 of 2017 (E2SHB 1163) (domestic violence).

33 (9) \$61,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$58,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely for implementation of chapter
36 268, Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

37 (10) \$120,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for staff to support the superior court

1 judges association as provided in the agreement between the
2 association and the office.

3 (11) \$2,265,000 of the judicial information systems account—state
4 appropriation is provided solely for replacement of computer
5 equipment, including servers, routers, and storage system upgrades.

6 (12) \$602,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for state costs for the implementation
8 of Engrossed Second Substitute House Bill No. 1783 (legal financial
9 obligations). If the bill is not enacted by June 30, 2018, the amount
10 provided in this subsection shall lapse.

11 (13) \$1,900,000 of the general fund—state appropriation for
12 fiscal year 2019 is provided solely for grants to counties and cities
13 for the impacts from Engrossed Second Substitute House Bill No. 1783
14 (legal financial obligations). Funding must be divided equally
15 between counties and cities and distributed as grants to mitigate
16 demonstrated costs and revenue losses from the legislation. It is the
17 legislature's intent that grants will continue only through the
18 2019-2021 fiscal biennium as follows: (a) Funding in fiscal year 2020
19 must be distributed in the same proportion and basis as fiscal year
20 2019; and (b) funding for fiscal year 2021 must be divided eighty-
21 five percent to counties and fifteen percent to cities and
22 distributed based on demonstrated revenue losses from the
23 legislation. If the bill is not enacted by June 30, 2018, the amount
24 provided in this subsection shall lapse.

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

27 **FOR THE OFFICE OF PUBLIC DEFENSE**

| | | |
|----|---|-------------------------------|
| 28 | General Fund—State Appropriation (FY 2018). | ((\$41,558,000)) |
| 29 | | <u>\$42,129,000</u> |
| 30 | General Fund—State Appropriation (FY 2019). | ((\$42,539,000)) |
| 31 | | <u>\$44,448,000</u> |
| 32 | Judicial Stabilization Trust Account—State | |
| 33 | Appropriation. | ((\$3,710,000)) |
| 34 | | <u>\$3,714,000</u> |
| 35 | <u>Pension Funding Stabilization Account—State</u> | |
| 36 | <u>Appropriation.</u> | <u>\$278,000</u> |
| 37 | TOTAL APPROPRIATION. | ((\$87,807,000)) |
| 38 | | <u>\$90,569,000</u> |

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

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

5 (2) \$1,101,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$1,101,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely for parents representation
8 program costs related to increased parental rights termination
9 filings from the department of social and health services permanency
10 initiative.

11 (3) \$900,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$900,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for the purpose of improving the
14 quality of trial court public defense services. The department must
15 allocate these amounts so that \$450,000 per fiscal year is
16 distributed to counties, and \$450,000 per fiscal year is distributed
17 to cities, for grants under chapter 10.101 RCW.

18 (4) \$2,384,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$3,364,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for the office to complete the
21 expansion of the parents representation program in the following
22 counties: Adams, Douglas, Island, Lewis, Lincoln, Okanogan, San Juan,
23 Walla Walla, and the remainder of Pierce.

24 (5) \$490,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$490,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for the parents for parents
27 program. Funds must be used to expand services in four new sites, and
28 maintain and improve service models for the current programs in Grays
29 Harbor/Pacific, King, Kitsap, Pierce, Snohomish, Spokane, and
30 Thurston/Mason counties.

31 (6) \$432,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$432,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for vendor rate increases. Of
34 the amounts provided in this subsection, \$188,000 each fiscal year is
35 provided solely for an increase in the rate for contracted social
36 workers.

37 (7) \$960,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for vendor rate increase of two percent
39 beginning July 1, 2018, and two percent beginning January 1, 2019,

1 for contracted attorneys providing indigent legal defense services in
2 parents representation, civil commitment, and appellate criminal
3 defense.

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

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

| | | |
|----|---|-------------------------------|
| 7 | General Fund—State Appropriation (FY 2018). | ((\$14,855,000)) |
| 8 | | <u>\$14,833,000</u> |
| 9 | General Fund—State Appropriation (FY 2019). | ((\$16,490,000)) |
| 10 | | <u>\$17,230,000</u> |
| 11 | Judicial Stabilization Trust Account—State | |
| 12 | Appropriation. | \$1,463,000 |
| 13 | <u>Pension Funding Stabilization Account—State</u> | |
| 14 | <u>Appropriation.</u> | <u>\$44,000</u> |
| 15 | TOTAL APPROPRIATION. | ((\$32,808,000)) |
| 16 | | <u>\$33,570,000</u> |

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

19 (1) An amount not to exceed \$40,000 of the general fund—state
20 appropriation for fiscal year 2018 and an amount not to exceed
21 \$40,000 of the general fund—state appropriation for fiscal year 2019
22 may be used to provide telephonic legal advice and assistance to
23 otherwise eligible persons who are sixty years of age or older on
24 matters authorized by RCW 2.53.030(2) (a) through (k) regardless of
25 household income or asset level.

26 (2) \$1,075,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$2,600,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for the office to partially
29 implement the civil legal aid reinvestment plan.

30 (3) \$338,000 of the general fund—state appropriation for fiscal
31 year 2019 is provided solely for the addition of five contract
32 attorneys beginning January 1, 2019, to further implement the civil
33 legal aid reinvestment plan.

34 (4) \$300,000 of the general fund—state appropriation for fiscal
35 year 2019 is provided solely for the office to automate, deploy, and
36 host a plain language family law forms document assembly system.

37 (5) \$125,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for a contract with the international

1 families justice coalition to expand private capacity to provide
2 legal services for indigent foreign nationals in contested domestic
3 relations and family law cases. Moneys may not be expended from this
4 appropriation for private legal representation of clients in domestic
5 relations and family law cases.

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

8 **FOR THE OFFICE OF THE GOVERNOR**

| | | |
|----|---|-------------------------------|
| 9 | General Fund—State Appropriation (FY 2018). | ((\$6,406,000)) |
| 10 | | <u>\$6,221,000</u> |
| 11 | General Fund—State Appropriation (FY 2019). | ((\$5,833,000)) |
| 12 | | <u>\$7,328,000</u> |
| 13 | <u>Economic Development Strategic Reserve Account—State</u> | |
| 14 | <u>Appropriation.</u> | <u>\$4,000,000</u> |
| 15 | <u>Pension Funding Stabilization Account—State</u> | |
| 16 | <u>Appropriation.</u> | <u>\$676,000</u> |
| 17 | TOTAL APPROPRIATION. | ((\$12,239,000)) |
| 18 | | <u>\$18,225,000</u> |

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

21 (1) \$703,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$703,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for the office of the education
24 ombuds.

25 (2) \$730,000 of the general fund—state appropriation for fiscal
26 year 2018 is provided solely for implementation of Engrossed Second
27 Substitute House Bill No. 1661 (child, youth, families/department).
28 The amount of state and federal funding to be transferred from the
29 department of social and health services to the department of
30 children, youth, and families for the working connections child care
31 services, administration, and staff must be included in the report
32 required by the bill on how to incorporate the staff responsible for
33 determining eligibility for the working connections child care
34 program into the department of children, youth, and families. If the
35 bill is not enacted by July 31, 2017, the amount provided in this
36 subsection shall lapse.

37 (3) \$1,216,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for implementation of Engrossed Second

1 Substitute House Bill No. 1889 (corrections ombuds). If the bill is
2 not enacted by June 30, 2018, the amount provided in this subsection
3 shall lapse.

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

10 (5) \$291,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for implementation of Engrossed House
12 Bill No. 2759 (women's commission). If the bill is not enacted by
13 June 30, 2018, the amount provided in this subsection shall lapse.

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

16 **FOR THE LIEUTENANT GOVERNOR**

| | | |
|----|---|------------------------------|
| 17 | General Fund—State Appropriation (FY 2018). | ((\$833,000)) |
| 18 | | <u>\$807,000</u> |
| 19 | General Fund—State Appropriation (FY 2019). | ((\$859,000)) |
| 20 | | <u>\$901,000</u> |
| 21 | General Fund—Private/Local Appropriation. | \$90,000 |
| 22 | <u>Pension Funding Stabilization Account—State</u> | |
| 23 | <u>Appropriation.</u> | <u>\$54,000</u> |
| 24 | TOTAL APPROPRIATION. | ((\$1,782,000)) |
| 25 | | <u>\$1,852,000</u> |

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

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

34 **FOR THE PUBLIC DISCLOSURE COMMISSION**

| | | |
|----|---|------------------------------|
| 35 | General Fund—State Appropriation (FY 2018). | ((\$2,826,000)) |
| 36 | | <u>\$2,697,000</u> |
| 37 | General Fund—State Appropriation (FY 2019). | ((\$2,872,000)) |

| | | |
|---|--|--------------------------|
| 1 | | <u>\$3,965,000</u> |
| 2 | <u>Pension Funding Stabilization Account—State</u> | |
| 3 | <u>Appropriation.</u> | <u>\$260,000</u> |
| 4 | TOTAL APPROPRIATION. | ((<u>\$5,698,000</u>)) |
| 5 | | <u>\$6,922,000</u> |

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

8 (1) \$37,000 of the general fund—state appropriation for fiscal
9 year 2019 is provided solely for modernizing and migrating the public
10 disclosure commission's business applications from an agency-based
11 data center to the state data center or a cloud environment.

12 (2) \$875,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for the implementation of Engrossed
14 Substitute House Bill No. 2938 (campaign finance). If the bill is not
15 enacted by June 30, 2018, the amount provided in this subsection
16 shall lapse.

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

19 **FOR THE SECRETARY OF STATE**

| | | |
|----|---|---------------------------|
| 20 | General Fund—State Appropriation (FY 2018). | ((<u>\$15,131,000</u>)) |
| 21 | | <u>\$15,708,000</u> |
| 22 | General Fund—State Appropriation (FY 2019). | ((<u>\$13,465,000</u>)) |
| 23 | | <u>\$13,742,000</u> |
| 24 | General Fund—Federal Appropriation. | ((<u>\$7,801,000</u>)) |
| 25 | | <u>\$7,793,000</u> |
| 26 | Public Records Efficiency, Preservation, and Access | |
| 27 | Account—State Appropriation. | ((<u>\$9,223,000</u>)) |
| 28 | | <u>\$9,219,000</u> |
| 29 | Charitable Organization Education Account—State | |
| 30 | Appropriation. | <u>\$673,000</u> |
| 31 | Local Government Archives Account—State | |
| 32 | Appropriation. | ((<u>\$10,946,000</u>)) |
| 33 | | <u>\$10,942,000</u> |
| 34 | Election Account—Federal Appropriation. | <u>\$4,387,000</u> |
| 35 | Washington State Heritage Center Account—State | |
| 36 | Appropriation. | ((<u>\$10,383,000</u>)) |
| 37 | | <u>\$10,626,000</u> |
| 38 | <u>Pension Funding Stabilization Account—State</u> | |

| | | |
|---|-------------------------------|-------------------------------|
| 1 | <u>Appropriation.</u> | <u>\$959,000</u> |
| 2 | TOTAL APPROPRIATION. | ((\$72,009,000)) |
| 3 | | <u>\$74,049,000</u> |

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

6 (1) \$3,301,000 of the general fund—state appropriation for fiscal
7 year 2018 is provided solely to reimburse counties for the state's
8 share of primary and general election costs and the costs of
9 conducting mandatory recounts on state measures. Counties shall be
10 reimbursed only for those odd-year election costs that the secretary
11 of state validates as eligible for reimbursement.

12 (2)(a) \$2,932,000 of the general fund—state appropriation for
13 fiscal year 2018 and \$3,011,000 of the general fund—state
14 appropriation for fiscal year 2019 are provided solely for
15 contracting with a nonprofit organization to produce gavel-to-gavel
16 television coverage of state government deliberations and other
17 events of statewide significance during the 2017-2019 fiscal
18 biennium. The funding level for each year of the contract shall be
19 based on the amount provided in this subsection. The nonprofit
20 organization shall be required to raise contributions or commitments
21 to make contributions, in cash or in kind, in an amount equal to
22 forty percent of the state contribution. The office of the secretary
23 of state may make full or partial payment once all criteria in this
24 subsection have been satisfactorily documented.

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

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

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

37 (i) Attempting to influence the passage or defeat of any
38 legislation by the legislature of the state of Washington, by any
39 county, city, town, or other political subdivision of the state of

1 Washington, or by the congress, or the adoption or rejection of any
2 rule, standard, rate, or other legislative enactment of any state
3 agency;

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

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

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

10 (4) \$15,000 of the general fund—state appropriation for fiscal
11 year 2018, \$15,000 of the general fund—state appropriation for fiscal
12 year 2019, \$4,000 of the public records efficiency, preservation and
13 access account, and \$2,253,000 of the local government archives
14 account appropriation are provided solely for the implementation of
15 chapter 303, Laws of 2017 (ESHB 1594) (public records
16 administration).

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

20 (6) \$35,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$39,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for humanities Washington
23 speaker's bureau community conversations to expand programming in
24 underserved areas of the state.

25 (7) \$285,000 of the general fund—state appropriation for fiscal
26 year 2019 is provided solely for implementation of House Bill No.
27 2406 (election security practices). If the bill is not enacted by
28 June 30, 2018, the amount provided in this subsection shall lapse.

29 (8) \$102,000 of the general fund—state appropriation for fiscal
30 year 2019 is provided solely for implementation of Engrossed Second
31 Substitute House Bill No. 2595 (automatic voter registration). If the
32 bill is not enacted by June 30, 2018, the amount provided in this
33 subsection shall lapse.

**Sec. 119 was partially vetoed. See message at end of chapter.*

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

36 **FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**

37 General Fund—State Appropriation (FY 2018). ((~~\$289,000~~))

| | | |
|---|---|----------------------------|
| 1 | | <u>\$274,000</u> |
| 2 | General Fund—State Appropriation (FY 2019). | ((\$276,000)) |
| 3 | | <u>\$263,000</u> |
| 4 | <u>Pension Funding Stabilization Account—State</u> | |
| 5 | <u>Appropriation.</u> | <u>\$28,000</u> |
| 6 | TOTAL APPROPRIATION. | \$565,000 |

7 The appropriations in this section are subject to the following
8 conditions and limitations: The office shall assist the department of
9 enterprise services on providing the government-to-government
10 training sessions for federal, state, local, and tribal government
11 employees. The training sessions shall cover tribal historical
12 perspectives, legal issues, tribal sovereignty, and tribal
13 governments. Costs of the training sessions shall be recouped through
14 a fee charged to the participants of each session. The department of
15 enterprise services shall be responsible for all of the
16 administrative aspects of the training, including the billing and
17 collection of the fees for the training.

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

20 **FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS**

| | | |
|----|---|----------------------------|
| 21 | General Fund—State Appropriation (FY 2018). | ((\$253,000)) |
| 22 | | <u>\$243,000</u> |
| 23 | General Fund—State Appropriation (FY 2019). | ((\$263,000)) |
| 24 | | <u>\$252,000</u> |
| 25 | <u>Pension Funding Stabilization Account—State</u> | |
| 26 | <u>Appropriation.</u> | <u>\$26,000</u> |
| 27 | TOTAL APPROPRIATION. | ((\$516,000)) |
| 28 | | <u>\$521,000</u> |

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

1 recommendations, or administrative action to the legislature as draft
2 legislation by December 1, 2017.

3 (3) \$303,000 of the state treasurer's service account—state
4 appropriation for fiscal year 2019 is provided solely for
5 implementation of Engrossed Second Substitute House Bill No. 2718
6 (civil forfeiture proceedings). If the bill is not enacted by June
7 30, 2018, the amount provided in this subsection shall lapse.

*Sec. 122 was partially vetoed. See message at end of chapter.

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

10 **FOR THE STATE AUDITOR**

| | | |
|----|---|-------------------------------|
| 11 | General Fund—State Appropriation (FY 2018). | \$28,000 |
| 12 | General Fund—State Appropriation (FY 2019). | \$32,000 |
| 13 | State Auditing Services Revolving Account—State | |
| 14 | Appropriation. | ((\$10,219,000)) |
| 15 | | <u>\$10,906,000</u> |
| 16 | Performance Audit of Government Account—State | |
| 17 | Appropriation. | ((\$3,019,000)) |
| 18 | | <u>\$3,017,000</u> |
| 19 | TOTAL APPROPRIATION. | ((\$13,298,000)) |
| 20 | | <u>\$13,983,000</u> |

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

23 (1) \$774,000 of the performance audit of government account—state
24 appropriation is provided solely for the state auditor's office to
25 conduct a performance audit of the department of health focused on
26 the fee setting for each health profession licensed by the
27 department. The performance audit must include, but is not limited
28 to:

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

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

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

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

1 (e) A final report of the performance audit must be submitted to
2 the appropriate legislative policy and fiscal committees by December
3 1, 2018.

4 (2) \$1,585,000 of the performance audit of government account—
5 state appropriation is provided solely for staff and related costs to
6 verify the accuracy of reported school district data submitted for
7 state funding purposes; conduct school district program audits of
8 state-funded public school programs; establish the specific amount of
9 state funding adjustments whenever audit exceptions occur and the
10 amount is not firmly established in the course of regular public
11 school audits; and to assist the state special education safety net
12 committee when requested.

13 (3) \$667,000 of the performance audits of government account—
14 state appropriation (~~((for fiscal year 2018))~~) is provided solely for
15 the state auditor's office to conduct a performance audit of
16 Washington charter public schools to satisfy the requirement to
17 contract for an independent performance audit pursuant to RCW
18 28A.710.030(2). The final report of the performance audit must be
19 submitted to the appropriate legislative policy committees by (~~((June~~
20 ~~30))~~) December 31, 2018. The audit must include (~~((eight))~~) ten schools
21 currently in (~~((their first year of))~~) operation and, subject to the
22 availability of data, must (~~((address the following questions))~~)
23 include, but is not limited to evaluating, the following operational
24 and academic outcomes:

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

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

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

| | | |
|---|--|--------------------------------|
| 1 | | <u>\$500,000</u> |
| 2 | Local Government Archives Account—State Appropriation. . . . | \$660,000 |
| 3 | <u>Pension Funding Stabilization Account—State</u> | |
| 4 | <u>Appropriation.</u> | <u>\$1,606,000</u> |
| 5 | TOTAL APPROPRIATION. | ((\$278,378,000)) |
| 6 | | <u>\$289,559,000</u> |

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

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

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

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

32 (4) \$353,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$353,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for a grant to the Washington
35 coalition of crime victim advocates to provide training,
36 certification, and technical assistance for crime victim service
37 center advocates.

38 (5) \$92,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$91,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for implementation of chapter
2 163, Laws of 2017 (SHB 1055) (military members/pro bono).

3 (6) \$49,000 of the legal services revolving account—state
4 appropriation is provided solely for implementation of chapter 268,
5 Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

6 (7) \$276,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$259,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for implementation of chapter
9 294, Laws of 2017 (SSB 5835) (health outcomes/pregnancy).

10 (8) \$22,000 of the legal services revolving account—state
11 appropriation is provided solely for implementation of chapter 295,
12 Laws of 2017 (SHB 1258) (first responders/disability).

13 (9) \$35,000 of the legal services revolving account—state
14 appropriation is provided solely for implementation of chapter 249,
15 Laws of 2017 (ESHB 1714) (nursing staffing/hospitals).

16 (10) \$361,000 of the legal services revolving account—state
17 appropriation and \$660,000 of the local government archives account—
18 state appropriation are provided solely for implementation of chapter
19 303, Laws of 2017 (ESHB 1594) (public records administration).

20 (11) \$40,000 of the general fund—state appropriation for fiscal
21 year 2018 is provided solely for the implementation of chapter 243,
22 Laws of 2017 (HB 1352) (small business owners).

23 (12) \$67,000 of the legal services revolving account—state
24 appropriation is provided solely for the implementation of chapter
25 320, Laws of 2017 (SSB 5322) (dentists and third parties).

26 (13) \$11,000 of the legal services revolving account—state
27 appropriation is provided solely for the implementation of chapter
28 53, Laws of 2017 (2SHB 1120) (regulatory fairness act).

29 (14) \$26,000 of the legal services revolving account—state
30 appropriation is provided solely for implementation of Engrossed
31 Second Substitute House Bill No. 2578 (housing options). If the bill
32 is not enacted by June 30, 2018, the amount provided in this
33 subsection shall lapse.

34 (15) \$119,000 of the legal services revolving account—state
35 appropriation is provided solely for implementation of chapter 1,
36 Laws of 2018 (ESSB 6091).

37 (16) \$96,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for implementation of Engrossed Second
39 Substitute Senate Bill No. 6029 (student loan bill of rights). If the

1 bill is not enacted by June 30, 2018, the amount provided in this
2 subsection shall lapse.

3 (17) \$48,000 of the legal services revolving account—state
4 appropriation is provided solely for implementation of Engrossed
5 Substitute House Bill No. 2938 (campaign finance). If the bill is not
6 enacted by June 30, 2018, the amount provided in this subsection
7 shall lapse.

8 (18) \$116,000 of the legal services revolving account—state
9 appropriation is provided solely for the implementation of Engrossed
10 Second Substitute House Bill No. 1439 (higher education student
11 protection). If the bill is not enacted by June 30, 2018, the amount
12 provided in this subsection shall lapse.

13 (19) \$72,000 of the legal services revolving account—state
14 appropriation is provided solely for the implementation of Engrossed
15 Second Substitute House Bill No. 1889 (corrections ombuds, creating).
16 If the bill is not enacted by June 30, 2018, the amount provided in
17 this subsection shall lapse.

18 (20) \$78,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for the implementation of Second
20 Substitute House Bill No. 1298 (job applicants/arrests). If the bill
21 is not enacted by June 30, 2018, the amount provided in this
22 subsection shall lapse.

23 (21) \$350,000 of the public service revolving account—state
24 appropriation is provided solely for additional expert witness
25 assistance for the public counsel unit.

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

28 **FOR THE CASELOAD FORECAST COUNCIL**

| | | |
|----|---|------------------------------|
| 29 | General Fund—State Appropriation (FY 2018). | ((\$1,606,000)) |
| 30 | | <u>\$1,555,000</u> |
| 31 | General Fund—State Appropriation (FY 2019). | ((\$1,576,000)) |
| 32 | | <u>\$1,775,000</u> |
| 33 | <u>Pension Funding Stabilization Account—State</u> | |
| 34 | <u>Appropriation.</u> | <u>\$169,000</u> |
| 35 | TOTAL APPROPRIATION. | ((\$3,182,000)) |
| 36 | | <u>\$3,499,000</u> |

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

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

5 (2) \$46,000 of the general fund—state appropriation for fiscal
6 year 2019 is provided solely for the implementation of Engrossed
7 House Bill No. 2008 (state services for children). If the bill is not
8 enacted by June 30, 2018, the amount provided in this subsection
9 shall lapse.

10 (3) \$108,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for the caseload forecast council to
12 prepare and submit to the legislature prior to each legislative
13 session a general disproportionality report. The general
14 disproportionality report must contain the following information:

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

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

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

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

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

28 (4) \$20,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$73,000 of the general fund—state appropriation for
30 fiscal year 2019 is provided solely for the council to assist with
31 the review of the sentencing reform act being conducted by the
32 sentencing guidelines commission.

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

35 **FOR THE DEPARTMENT OF COMMERCE**

36 General Fund—State Appropriation (FY 2018). (~~(\$64,989,000)~~)
37 \$64,290,000

38 General Fund—State Appropriation (FY 2019). (~~(\$65,634,000)~~)

| | | |
|----|--|--------------------------------|
| 1 | | <u>\$77,359,000</u> |
| 2 | General Fund—Federal Appropriation. | ((\$295,855,000)) |
| 3 | | <u>\$295,840,000</u> |
| 4 | General Fund—Private/Local Appropriation. | ((\$8,623,000)) |
| 5 | | <u>\$8,922,000</u> |
| 6 | Public Works Assistance Account—State | |
| 7 | Appropriation. | ((\$8,092,000)) |
| 8 | | <u>\$8,086,000</u> |
| 9 | Drinking Water Assistance Administrative | |
| 10 | Account—State Appropriation. | ((\$508,000)) |
| 11 | | <u>\$507,000</u> |
| 12 | Lead Paint Account—State Appropriation. | ((\$238,000)) |
| 13 | | <u>\$237,000</u> |
| 14 | Building Code Council Account—State Appropriation. | \$15,000 |
| 15 | Home Security Fund Account—State Appropriation. | ((\$48,400,000)) |
| 16 | | <u>\$54,268,000</u> |
| 17 | Affordable Housing for All Account—State | |
| 18 | Appropriation. | ((\$13,867,000)) |
| 19 | | <u>\$13,866,000</u> |
| 20 | Financial Fraud and Identity Theft Crimes | |
| 21 | Investigation and Prosecution Account—State | |
| 22 | Appropriation. | \$1,974,000 |
| 23 | Low-Income Weatherization and Structural | |
| 24 | Rehabilitation Assistance Account—State | |
| 25 | Appropriation. | \$1,398,000 |
| 26 | Community and Economic Development Fee Account—State | |
| 27 | Appropriation. | ((\$4,630,000)) |
| 28 | | <u>\$4,628,000</u> |
| 29 | Washington Housing Trust Account—State | |
| 30 | Appropriation. | ((\$12,617,000)) |
| 31 | | <u>\$12,615,000</u> |
| 32 | Prostitution Prevention and Intervention Account— | |
| 33 | State Appropriation. | \$26,000 |
| 34 | Public Facility Construction Loan Revolving | |
| 35 | Account—State Appropriation. | ((\$842,000)) |
| 36 | | <u>\$841,000</u> |
| 37 | Drinking Water Assistance Account—State | |
| 38 | Appropriation. | ((\$46,000)) |
| 39 | | <u>\$44,000</u> |

| | | |
|----|--|-------------------------------|
| 1 | Liquor Revolving Account—State Appropriation. | \$5,613,000 |
| 2 | Energy Freedom Account—State Appropriation. | (((\$6,000)) |
| 3 | | <u>\$5,000</u> |
| 4 | Liquor Excise Tax Account—State Appropriation. | (((\$665,000)) |
| 5 | | <u>\$663,000</u> |
| 6 | Economic Development Strategic Reserve Account—State | |
| 7 | Appropriation. | (((\$5,611,000)) |
| 8 | | <u>\$2,648,000</u> |
| 9 | Financial Services Regulation Account—State | |
| 10 | Appropriation. | \$468,000 |
| 11 | <u>Pension Funding Stabilization Account—State</u> | |
| 12 | <u>Appropriation.</u> | <u>\$1,618,000</u> |
| 13 | <u>Statewide Tourism Marketing Account—State</u> | |
| 14 | <u>Appropriation.</u> | <u>\$1,500,000</u> |
| 15 | <u>Life Sciences Discovery Account—State</u> | |
| 16 | <u>Appropriation.</u> | <u>\$50,000</u> |
| 17 | TOTAL APPROPRIATION. | (((\$540,117,000)) |
| 18 | | <u>\$557,481,000</u> |

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

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

29 (2) \$500,000 of the general fund—state appropriation for fiscal
30 year 2018 and ~~(((\$500,000))~~ \$1,000,000 of the general fund—state
31 appropriation for fiscal year 2019 are provided solely for a grant to
32 resolution Washington to building statewide capacity for alternative
33 dispute resolution centers and dispute resolution programs that
34 guarantee that citizens have access to low-cost resolution as an
35 alternative to litigation.

36 (3) \$375,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$375,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for a grant to the retired
39 senior volunteer program.

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

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

9 (6) (~~(\$5,602,000)~~) \$2,642,000 of the economic development
10 strategic reserve account—state appropriation (~~(is)~~) and \$2,960,000
11 of the general fund—state appropriation for fiscal year 2019 are
12 provided solely for associate development organizations. During the
13 2017-2019 fiscal biennium, the department shall consider an associate
14 development organization's total resources when making contracting
15 and fund allocation decisions, in addition to the schedule provided
16 in RCW 43.330.086.

17 (7) \$5,607,000 of the liquor revolving account—state
18 appropriation is provided solely for the department to contract with
19 the municipal research and services center of Washington.

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

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

35 (9) \$700,000 of the general fund—state appropriation for fiscal
36 year 2018 and (~~(\$700,000)~~) \$1,436,000 of the general fund—state
37 appropriation for fiscal year 2019 are provided solely for the
38 department to identify and invest in strategic growth areas, support
39 key sectors, and align existing economic development programs and

1 priorities. The department must consider Washington's position as the
2 most trade-dependent state when identifying priority investments. The
3 department must engage states and provinces in the northwest as well
4 as associate development organizations, small business development
5 centers, chambers of commerce, ports, and other partners to leverage
6 the funds provided. (~~For each dollar expended, the department must~~
7 ~~receive a one hundred percent match. The match may be provided by the~~
8 ~~department through nongeneral fund sources, or any partnering~~
9 ~~governments or organizations.)) Sector leads established by the
10 department must include the industries of: (a) Tourism; (b)
11 agriculture, wood products, and other natural resource industries;
12 and (c) clean technology and renewable and nonrenewable energy. The
13 department may establish these sector leads by hiring new staff,
14 expanding the duties of current staff, or working with partner
15 organizations and or other agencies to serve in the role of sector
16 lead.~~

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

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

25 (12) \$150,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$150,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the expansion of the current
28 long-term care ombuds program to meet the immediate needs of
29 individuals by advocating on behalf of and protecting residents of
30 long-term care facilities from abuse, neglect, and exploitation.

31 (13) Within existing resources, the department of commerce shall
32 consult with key crime victim services stakeholders to inform
33 decisions about the funding distribution for federal fiscal years
34 2017-2019 victims of crime act victim assistance funding. These
35 stakeholders must include, at a minimum, children's advocacy centers
36 of Washington, Washington association of prosecuting attorneys,
37 Washington association of sheriffs and police chiefs, Washington
38 coalition against domestic violence, Washington coalition of sexual
39 assault programs, Washington coalition of crime victim advocates, at
40 least one representative from a child health coalition, and other

1 organizations as determined by the department. Funding distribution
2 considerations shall include, but are not limited to, geographic
3 distribution of services, underserved populations, age of victims,
4 best practices, and the unique needs of individuals, families, youth,
5 and children who are victims of crime.

6 (14) \$643,000 of the liquor excise tax account—state
7 appropriation is provided solely for the department of commerce to
8 provide fiscal note assistance to local governments.

9 (15) \$300,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$300,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for the northwest agriculture
12 business center.

13 (16) \$150,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$150,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the regulatory roadmap
16 program for the construction industry and to identify and coordinate
17 with businesses in key industry sectors to develop additional
18 regulatory roadmap tools.

19 (17) \$1,000,000 of the general fund—state appropriation for
20 fiscal year 2018 and \$1,000,000 of the general fund—state
21 appropriation for fiscal year 2019 are provided solely for the
22 Washington new Americans program. The department may require a cash
23 match or in-kind contributions to be eligible for state funding.

24 (18) \$94,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$253,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for implementation of chapter
27 268, Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

28 (19) \$60,000 of the general fund—state appropriation for fiscal
29 year 2018 is provided solely as a grant to the Hoh Indian tribe for
30 critical infrastructure, including a backup electrical power
31 generator to address recurrent power outages in the community.

32 (20) \$100,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$100,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for capacity-building grants
35 through the Latino community fund to promote and improve education,
36 economic empowerment, arts and culture, civic engagement, health, and
37 environmental justice for Latino communities in Washington state.

38 (21) \$643,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$643,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for the department to contract
2 with a private, nonprofit organization to provide developmental
3 disability ombuds services.

4 (22) \$39,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$39,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for implementation of chapter
7 290, Laws of 2017 (ESHB 1109) (victims of sexual assault).

8 (23) \$1,000,000 of the home security fund—state appropriation,
9 \$2,000,000 of the Washington housing trust account—state
10 appropriation, and \$1,000,000 of the affordable housing for all
11 account—state appropriation are provided solely for the department of
12 commerce for services to homeless families and youth through the
13 Washington youth and families fund.

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

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

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

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

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

37 (25) \$140,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$140,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely to create a behavioral health

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

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

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

23 (27) \$990,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$1,980,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for 150 community beds for
26 individuals with a history of mental illness. Currently, there is
27 little to no housing specific to populations with these co-occurring
28 disorders; therefore, the department must consider how best to
29 develop new bed capacity in combination with individualized support
30 services, such as intensive case management and care coordination,
31 clinical supervision, mental health, substance abuse treatment, and
32 vocational and employment services. Case-management and care
33 coordination services must be provided. Increased case-managed
34 housing will help to reduce the use of jails and emergency services
35 and will help to reduce admissions to the state psychiatric
36 hospitals. The department must coordinate with the health care
37 authority and the department of social and health services in
38 establishing conditions for the awarding of these funds. The
39 department must contract with local entities to provide a mix of (a)

1 shared permanent supportive housing; (b) independent permanent
2 supportive housing; and (c) low and no-barrier housing beds for
3 people with a criminal history, substance abuse disorder, and/or
4 mental illness.

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

9 (28) \$557,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$557,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for the department to design and
12 administer the achieving a better life experience program.

13 (29) \$512,000 of the general fund—state appropriation for fiscal
14 year 2018 is provided solely to complete the requirements of the
15 agricultural labor skills and safety grant program in chapter 43.330
16 RCW. This program expires July 1, 2018.

17 (30) \$150,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$150,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for the implementation of
20 chapter 225, Laws of 2017 (SSB 5713) (skilled worker program).

21 (31) \$50,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$50,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for the wildfire project in the
24 Wenatchee valley to provide public education on wildfire and forest
25 health issues.

26 (32) \$167,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$167,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for community mobilization
29 grants to safe Yakima and safe streets of Tacoma to foster community
30 engagement through neighborhood organizing, law enforcement-community
31 partnerships, neighborhood watch programs, youth mobilization, and
32 business engagement.

33 (33)(a) \$83,000 of the general fund—state appropriation for
34 fiscal year 2018 and \$83,000 of the general fund—state appropriation
35 for fiscal year 2019 are provided solely for the department to create
36 el nuevo camino pilot project for the purpose of addressing serious
37 youth gang problems in midsize counties in eastern Washington. El
38 nuevo camino pilot project must include one grant to an eligible
39 applicant for the 2017-2019 fiscal biennium. The department shall

1 adopt policies and procedures as necessary to administer the pilot
2 project, including the application process, disbursement of the grant
3 award to the selected applicant, and tracking compliance and
4 measuring outcomes. Partners, grant recipients, prosecutors, mental
5 health practitioners, schools, and other members of the el nuevo
6 camino pilot project, shall ensure that programs, trainings,
7 recruiting, and other operations for el nuevo camino pilot project
8 prohibit discriminatory practices, including biased treatment and
9 profiling of youth or their communities. For the purposes of this
10 subsection, antidiscriminatory practices prohibit grant recipients or
11 their partners from using factors such as race, ethnicity, national
12 origin, immigration or citizenship status, age, religion, gender,
13 gender identity, gender expression, sexual orientation, and
14 disability in guiding or identifying affected populations.

15 (b) An eligible applicant:

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

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

20 (iii) Has an identified gang problem;

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

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

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

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

30 (c) The grant recipient must:

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

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

37 (iii) Work to keep high-risk youth in school, reenroll dropouts,
38 and improve academic performance and behavior by engaging in a grass
39 roots team approach in schools with the most serious youth violence

1 and mental health problems, which must include a unique and
2 identified team in each district participating in the project;

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

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

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

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

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

13 (C) The estimated change in domestic violence rates;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (35) \$102,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$75,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for the implementation of
17 chapter 315, Laws of 2017 (ESB 5128) (incremental energy).

18 (36) \$26,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$12,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for the implementation of
21 chapter 279, Laws of 2017 (SHB 1988) (vulnerable youth guardians).

22 (37) \$468,000 of the financial services regulation account—state
23 appropriation is provided solely for the family prosperity account
24 program.

25 (38) The department is authorized to suspend issuing any
26 nonstatutorily required grants or contracts of an amount less than
27 \$1,000,000 per year.

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

35 (40)(a) \$250,000 of the public works assistance account—state
36 appropriation is provided solely for the department to contract with
37 a consultant to study strategies for increasing the competitiveness
38 of rural businesses in securing local government contracts within

1 their same rural county, and for providing outreach services to
2 employers in rural communities. The consultant must:

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

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

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

8 (b) The study must include the following:

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

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

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

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

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

36 (c) The department's external relations division must expand
37 existing outreach services offered to rural employers to include
38 training on processes to compete effectively for public works
39 contracts within their communities. The external relations division

1 must receive training on contract law to better support their
2 outreach services. The cost of the training may not exceed \$10,000.

3 (41) \$40,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$40,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for the Federal Way day center
6 to provide housing and other assistance to persons over 18
7 experiencing homelessness.

8 (42) \$200,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$200,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for implementation of Second
11 Substitute Senate Bill No. 5254 (buildable lands and zoning). If this
12 bill is not enacted by July 31, 2017, the amounts provided in this
13 subsection shall lapse.

14 (43) \$700,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$600,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for staff and upgrades to the
17 homeless management information system.

18 (44) \$50,000 of the general fund—state appropriation for fiscal
19 year 2018 is provided solely for the department to conduct a study on
20 the current state of data center industry in Washington and whether
21 changes to existing state policies would result in additional
22 investment and job creation in Washington as well as advance the
23 development of the state's technology ecosystems. The study is due to
24 the appropriate committees of the legislature by December 1, 2017.

25 (45) \$500,000 of the general fund—state appropriation for 2018 is
26 provided solely for the department to formulate a statewide tourism
27 marketing plan in collaboration with a nonprofit statewide tourism
28 organization as provided in Substitute Senate Bill No. 5251.

29 (46) \$80,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$80,000 of the general fund—state appropriation for
31 fiscal year 2019 is provided solely as a grant to Klickitat county
32 for a land use planner to process a backlog of permits that have not
33 been processed by the Columbia river gorge commission due to lack of
34 funds.

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

1 report shall be provided to the department by June 1, 2019. The
2 report must include information on the needs of workers earning
3 income as independent contractors including sources of income, the
4 amount of their income derived from independent work, and a
5 discussion of the benefits provided to such workers.

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

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

11 (ii) Representatives of labor unions;

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

14 (iv) Individuals from business and industry.

15 (48) \$1,070,000 of the general fund—state appropriation for
16 fiscal year 2019 is provided solely for the department to expand the
17 small business export assistance program and ensure that at least one
18 new employee is located outside the city of Seattle for purposes of
19 assisting rural businesses with export strategies; and for continuing
20 the economic gardening program.

21 (49) \$1,500,000 of the statewide tourism marketing account—state
22 appropriation is provided solely for implementation of Engrossed
23 Fourth Substitute Senate Bill No. 5251 (tourism marketing). Of the
24 amount appropriated, \$198,000 is provided solely for expenditures of
25 the department that are related to implementation of the statewide
26 tourism marketing program and operation of the authority. If the bill
27 is not enacted by June 30, 2018, the amount provided in this
28 subsection shall lapse.

29 (50) \$96,000 of the general fund—state appropriation for fiscal
30 year 2019 is provided solely for implementation of Substitute Senate
31 Bill No. 6175 (common interest ownership). If the bill is not enacted
32 by June 30, 2018, the amount provided in this subsection shall lapse.

33 (51) \$1,576,000 of the general fund—state appropriation for
34 fiscal year 2019 is provided solely for administration and pass-
35 through funding to assist Whatcom, Snohomish, King, Pierce, Kitsap,
36 Thurston, and Clark counties with the implementation of chapter 16,
37 Laws of 2017 3rd sp.s. (E2SSB 5254).

1 (52) \$50,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the city of Issaquah to host a
3 regional or national sports medicine conference.

4 (53) \$149,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely for the department to fund a pilot
6 project in Clark county to increase access to local workforce
7 training. Funding must be used to contract with Partners in Careers
8 to complete an assessment of basic literacy skills in connection to
9 classes at Clark college or other programs to support the reading and
10 math skills needed to complete workforce training; for case
11 management to connect job seekers to community resources; and to
12 support first time users or returners navigating the WorkSource
13 system and engagement in on-the-job training and industry specific
14 training in high demand fields.

15 (54) \$11,000 of the general fund—state appropriation for fiscal
16 year 2019 is provided solely for a grant to the city of Port Angeles
17 for the cost of analyzing bio char samples for evidence of dioxins,
18 PAHs, and flame retardants and any other chemical compounds through a
19 certified laboratory. Analysis results must be shared with local
20 interest groups.

21 (55) \$20,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for the office of homeless youth
23 prevention and protection programs to conduct a survey of homeless
24 youth service and informational gaps, especially in nonurban areas,
25 with an emphasis on providing nonurban school districts with adequate
26 informational resources related to homeless youth and youth in crisis
27 services available in their community.

28 **(56) \$20,000 of the general fund—state appropriation for fiscal**
29 **year 2019 is provided solely for implementation of Engrossed**
30 **Substitute Senate Bill No. 6081 (net metering) or Substitute House**
31 **Bill No. 2995 (energy). If neither bill is enacted by June 30, 2018,**
32 **the amount provided in this subsection shall lapse.**

33 (57) \$150,000 of the general fund—state appropriation for fiscal
34 year 2019 is provided solely for a grant to the city of Yakima to
35 establish a gang prevention pilot program. The pilot program shall
36 have the goal of creating a sustainable organized response to gang
37 activity utilizing evidence-based resources.

38 (58) \$125,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for a grant to the Seattle science

1 foundation to develop a comprehensive 3D spinal cord atlas with the
2 goal of providing clinicians and researchers with a digital map of
3 the spinal cord.

4 (59) \$250,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely for the department to contract with the
6 Washington state microenterprise association to assist people with
7 limited incomes in nonmetro areas of the state to start and sustain
8 small businesses and embrace the effects of globalization.

9 (60) \$240,000 of the general fund—state appropriation for fiscal
10 year 2019 is provided solely for the implementation of Substitute
11 House Bill No. 2367 (child care collaboration task force). If the
12 bill is not enacted by June 30, 2018, the amount provided in this
13 subsection shall lapse.

14 (61) \$174,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided solely for the implementation of Third
16 Substitute House Bill No. 2382 (surplus public property). If the bill
17 is not enacted by June 30, 2018, the amount provided in this
18 subsection shall lapse.

19 (62) \$31,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for the implementation of Substitute
21 House Bill No. 2667 (essential needs/ABD programs). If the bill is
22 not enacted by June 30, 2018, the amount provided in this subsection
23 shall lapse.

24 (63)(a) \$300,000 of the general fund—state appropriation for
25 fiscal year 2019 and \$300,000 of the general fund—local appropriation
26 are provided solely for the department to contract with a consultant
27 to study the current and ongoing impacts of the SeaTac international
28 airport. The general fund—state funding provided in this subsection
29 serves as a state match and may not be spent unless \$300,000 of local
30 matching funds is transferred to the department. The department must
31 seek feedback on project scoping and consultant selection from the
32 cities listed in (b) of this subsection.

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

34 (i) The impacts that the current and ongoing airport operations
35 have on quality of life associated with air traffic noise, public
36 health, traffic, congestion, and parking in residential areas,
37 pedestrian access to and around the airport, public safety and crime
38 within the cities, effects on residential and nonresidential property
39 values, and economic development opportunities, in the cities of

1 SeaTac, Burien, Des Moines, Tukwila, Federal Way, Normandy Park, and
2 other impacted neighborhoods; and

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

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

8 (d) The study must be delivered to the legislature by December 1,
9 2019.

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

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

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

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

24 (65) \$1,000,000 of the general fund—state appropriation for
25 fiscal year 2019 is provided solely for the department of contract
26 with organizations and attorneys to provide legal representation
27 and/or referral services for legal representation to indigent persons
28 who are in need of legal services for matters related to their
29 immigration status. Persons eligible for assistance under this
30 contract must be determined to be indigent under standards developed
31 under chapter 10.101 RCW.

32 (66) \$150,000 of the general fund—state appropriation for fiscal
33 year 2019 is provided solely for a small business innovation exchange
34 project to increase economic development opportunities for women,
35 minority, and veteran owned small businesses in the south King county
36 region.

37 (67) \$100,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for a grant to the city of Federal Way
39 for an emergency shelter to serve homeless families with children.

1 (68) \$250,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for capacity-building grants through the
3 united Indians of all tribes foundation to promote and improve
4 educational, cultural, and social services for Native American
5 communities in Washington state.

6 (69) \$41,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for the implementation of Substitute
8 House Bill No. 2101 (sexual assault nurse examiners). If the bill is
9 not enacted by June 30, 2018, the amount provided in this subsection
10 shall lapse.

11 (70) \$40,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$100,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for a grant to the Douglas
14 county associate development organization that serves on the core
15 leadership team of the Wenatchee valley's our valley our future
16 community and economic development program to support communities
17 adversely impacted by wildfire damage and the reduction of aluminum
18 smelter facilities.

19 (71) \$800,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for providing grants for a criminal
21 justice diversion center pilot program in Snohomish county. Snohomish
22 county must collect and report data from the pilot program to the
23 department of commerce. The department must submit a report to the
24 appropriate committees of the legislature by October 1, 2019. The
25 report must contain, at a minimum:

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

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

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

32 (d) The number of individuals served by the pilot program who
33 were connected to a detoxification program, completed a
34 detoxification program, completed a chemical dependency assessment,
35 completed chemical dependency treatment, or were connected to
36 housing.

37 (72) \$5,869,000 of the home security fund account—state
38 appropriation is provided solely for implementation of Engrossed
39 Second Substitute House Bill No. 1570 (homeless housing and

1 assistance). If the bill is not enacted by June 30, 2018, the amount
2 provided in this subsection shall lapse.

3 (73) \$250,000 of the general fund—state appropriation is provided
4 solely for a grant to a museum to assist with armistice day
5 activities in schools and other community settings to celebrate the
6 100th anniversary of World War I and armistice day. Funding must be
7 used for a World War I America museum exhibit, new curriculum,
8 teacher training, student and classroom visits, and visits from
9 veterans and active duty military.

10 (74) \$226,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely to expand the state's capacity to
12 enforce the lead-based paint program.

13 (75) \$60,000 of the general fund—state appropriation for fiscal
14 year 2019 is provided solely for the department to submit the
15 necessary Washington state membership dues for the Pacific Northwest
16 economic region.

17 (76) \$50,000 of the life sciences discovery fund—state
18 appropriation is provided solely for grants as generally described in
19 chapter 43.350 RCW.

20 (77) \$188,000 of the general fund—state appropriation for fiscal
21 year 2019 is provided solely for implementation of Substitute House
22 Bill No. 1022 (crime victim participation). If the bill is not
23 enacted by June 30, 2018, the amount provided in this subsection
24 shall lapse.

25 (78) \$62,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$116,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the implementation of
28 Substitute House Bill No. 2580 (renewable natural gas). If the bill
29 is not enacted by June 30, 2018, the amounts provided in this
30 subsection shall lapse.

31 (79) \$200,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for the department of commerce to (a)
33 develop a state economic growth strategy related to accelerating
34 technology innovation; and (b) establish the feasibility and devise a
35 plan for establishing a manufacturing innovation institute.

**Sec. 127 was partially vetoed. See message at end of chapter.*

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

| | | |
|----|---|------------------------------|
| 1 | FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL | |
| 2 | General Fund—State Appropriation (FY 2018). | ((\$850,000)) |
| 3 | | <u>\$799,000</u> |
| 4 | General Fund—State Appropriation (FY 2019). | ((\$905,000)) |
| 5 | | <u>\$853,000</u> |
| 6 | Lottery Administrative Account—State Appropriation. | \$50,000 |
| 7 | <u>Pension Funding Stabilization Account—State</u> | |
| 8 | <u>Appropriation.</u> | <u>\$102,000</u> |
| 9 | TOTAL APPROPRIATION. | ((\$1,805,000)) |
| 10 | | <u>\$1,804,000</u> |

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

| | | |
|----|--|-------------------------------|
| 13 | FOR THE OFFICE OF FINANCIAL MANAGEMENT | |
| 14 | General Fund—State Appropriation (FY 2018). | ((\$11,711,000)) |
| 15 | | <u>\$11,775,000</u> |
| 16 | General Fund—State Appropriation (FY 2019). | ((\$11,956,000)) |
| 17 | | <u>\$12,440,000</u> |
| 18 | General Fund—Federal Appropriation. | ((\$39,716,000)) |
| 19 | | <u>\$39,714,000</u> |
| 20 | General Fund—Private/Local Appropriation. | ((\$501,000)) |
| 21 | | <u>\$843,000</u> |
| 22 | Economic Development Strategic Reserve Account—State | |
| 23 | Appropriation. | \$314,000 |
| 24 | <u>Recreation Access Pass Account—State Appropriation.</u> | <u>\$75,000</u> |
| 25 | Personnel Service Fund—State Appropriation. | ((\$8,882,000)) |
| 26 | | <u>\$8,891,000</u> |
| 27 | Higher Education Personnel Services Account—State | |
| 28 | Appropriation. | \$1,497,000 |
| 29 | Performance Audits of Government Account—State | |
| 30 | Appropriation. | ((\$621,000)) |
| 31 | | <u>\$620,000</u> |
| 32 | Statewide Information Technology System Development | |
| 33 | Revolving Account—State Appropriation. | ((\$6,503,000)) |
| 34 | | <u>\$10,022,000</u> |
| 35 | OFM Central Services—State Appropriation. | ((\$19,237,000)) |
| 36 | | <u>\$19,280,000</u> |
| 37 | <u>Pension Funding Stabilization Account—State</u> | |
| 38 | <u>Appropriation.</u> | <u>\$2,448,000</u> |

1 TOTAL APPROPRIATION. ((~~\$100,938,000~~))
2 \$107,919,000

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

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

10 (2)(a) The student achievement council and all institutions of
11 higher education eligible to participate in the state need grant
12 shall ensure that data needed to analyze and evaluate the
13 effectiveness of the state need grant program are promptly
14 transmitted to the education data center so that it is available and
15 easily accessible. The data to be reported must include but not be
16 limited to:

- 17 (i) The number of state need grant recipients;
- 18 (ii) The number of students on the unserved waiting list of the
19 state need grant;
- 20 (iii) Persistence and completion rates of state need grant
21 recipients and students on the state need grant unserved waiting
22 list, disaggregated by institutions of higher education;
- 23 (iv) State need grant recipients and students on state need grant
24 unserved waiting list grade point averages; and
- 25 (v) State need grant program costs.

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

29 (3) \$149,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$144,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely to implement chapter 172, Laws
32 of 2017 (SHB 1741) (educator preparation data/PESB).

33 (4) \$84,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$75,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely to implement chapter 53, Laws of
36 2017 (2SHB 1120) (regulatory fairness act).

37 (5) The office of financial management must perform a legal and
38 policy review of whether the lead organization of the statewide
39 health claims database established in chapter 43.371 RCW may collect

1 certain data from drug manufacturers and use this data to bring
2 greater public transparency to prescription drug prices.
3 Specifically, the review must analyze whether the organization may
4 collect and use manufacturer's pricing data on high-cost new and
5 existing prescription drugs, including itemized production and sales
6 data and Canadian pricing. The office of financial management must
7 report by December 15, 2017, to the health care committees of the
8 legislature the results of the study and any necessary legislation to
9 authorize the collection of pricing data and to produce public
10 analysis and reports that help promote prescription drug
11 transparency.

12 (6) \$500,000 of the general fund—state appropriation for fiscal
13 year 2018, \$131,000 of the general fund—state appropriation for
14 fiscal year 2019, and \$139,000 of the personnel service account—state
15 appropriation are provided solely for implementation of Engrossed
16 Second Substitute House Bill No. 1661 (children, youth, families
17 department). The cost allocation contract must include a
18 determination of the amount of administrative funding to be
19 transferred between appropriations in sections 223(1) and 223(2) of
20 this act to section 222(3) of this act for the new department of
21 children, youth, and families. If the bill is not enacted by July 31,
22 2017, the amounts provided in this subsection shall lapse.

23 (7) (~~(\$4,503,000)~~) \$8,022,000 of the statewide information
24 technology system development revolving account—state appropriation
25 is provided solely for readiness activities related to the One
26 Washington replacement project to modernize and improve
27 administrative systems and related business processes across state
28 government over a multi-biennia time period and this project is
29 subject to the conditions, limitations, and review provided in
30 section 724 of this act. The funding provided in this subsection is
31 for conducting business warehouse planning and system integrations
32 and contracting with a strategic partner for the design of the long-
33 term program blueprint detailing the readiness, planning, and
34 implementation activities related to this project. Legislative
35 expectation is that the strategic partner selected for this design of
36 this long-term blueprint will have proven experience in successfully
37 managing similar efforts in other states or jurisdictions and that
38 the ultimate project scope will integrate performance information and
39 provide information on discrete units of costs for state governmental

1 activities with the goal of improved management and efficiency. The
2 office of financial management will provide the needed management
3 support for this design effort and will ensure that state agencies
4 fully participate in this initial design effort, including the office
5 of chief information officer. The office of financial management will
6 provide quarterly reports to the legislative fiscal committees and
7 the legislative evaluation and accountability program committee.
8 Before submitting additional funding requests for this project, the
9 office of financial management will submit a comprehensive detailed
10 feasibility study and financial plan for the project to the
11 legislative evaluation and accountability program committee.

12 (8) \$4,000,000 of the general fund—federal appropriation is
13 provided solely for the procurement and implementation of the
14 Washington state all payer claims database project and this project
15 is subject to the conditions, limitations, and review provided in
16 section 724 of this act.

17 (9) \$140,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$140,000 of the general fund—federal appropriation are
19 provided solely for the authority to incorporate long-term inpatient
20 care as defined in RCW 71.24.025 into the psychiatric managed care
21 capitation risk model. The model shall be submitted to the governor
22 and appropriate committees of the legislature by December 1, 2017.
23 The model must integrate civil inpatient psychiatric hospital
24 services including ninety and one hundred eighty day commitments
25 provided in state hospitals or community settings into medicaid
26 managed care capitation rates and nonmedicaid contracts. The model
27 should phase-in the financial risk such that managed care
28 organizations bear full financial risk for long-term civil inpatient
29 psychiatric hospital commitments beginning January 2020. The model
30 must address strategies to ensure that the state is able to maximize
31 the state's allotment of federal disproportionate share funding.

32 (10) The office of financial management will convene a work group
33 consisting of the department of social and health services and
34 appropriate fiscal and policy staff from the house of representatives
35 office of program research and senate committee services for the
36 purpose of reviewing language traditionally added to section 201 in
37 supplemental operating omnibus appropriations acts to allow the
38 department to transfer moneys between sections of the act and to
39 allow for moneys that are provided solely for a specified purpose to

1 be used for other than that purpose. The work group will review the
2 department's use of the language, develop options to reduce or
3 eliminate the need for this language, and explore revisions to the
4 language. The work group must also discuss alternatives to the
5 language to achieve the shared goal of balancing expenditures to
6 appropriation while preserving the legislature's ability to direct
7 policy through appropriation. Alternatives should include increased
8 use of supplemental budget decision packages, the creation of a
9 reserve fund for unanticipated expenditures, and other measures the
10 work group develops.

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

17 (12) \$75,000 of the recreation access pass account—state
18 appropriation is provided solely for the office of financial
19 management, in consultation with the parks and recreation commission,
20 department of natural resources, and department of fish and wildlife,
21 to further analyze the cost and revenue potential of the options and
22 recommendations in Recreation Fees in Washington: Options and
23 Recommendations (The William D. Ruckelshaus Center, December 2017).
24 The office must collaborate with other relevant agencies and
25 appropriate stakeholders. The office must provide a report to the
26 appropriate committees of the legislature by September 1, 2018. For
27 each of the options, the report must:

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

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

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

36 (d) Identify fiscal impacts of changing the state access pass to
37 each of the options identified including any combination state and
38 federal recreational access pass options; and

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

4 (13) \$1,000,000 of the general fund—state appropriation for
5 fiscal year 2018 is provided solely to support the implementation of
6 the department of children, youth, and families. The department must
7 submit an expenditure plan to the office of financial management and
8 may expend implementation funds after the approval of the director of
9 the office of financial management.

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

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

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

19 (17) \$192,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$288,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for the office of financial
22 management to contract with an entity or entities with expertise in
23 public finance, commercial, and public banking to:

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

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

37 (i) Identification of potential members of the bank;

38 (ii) The capital structure that would be necessary;

39 (iii) Potential products the bank might offer;

- 1 (iv) Projections of earnings;
2 (v) Recommendations on corporate governance, accountability, and
3 assurances;
4 (vi) Legal, constitutional, and regulatory issues;
5 (vii) If needed, how to obtain a federal master account and join
6 the federal reserve;
7 (viii) Information technology security and cybersecurity;
8 (ix) Opportunities for collaborating with other financial
9 institutions;
10 (x) Impacts on the state's debt limit;
11 (xi) In the event of failure, the risk to taxpayers, including
12 any impact on Washington's bond rating and reputation;
13 (xii) Potential effects on the budgets and existing state
14 agencies programs; and
15 (xiii) Other items necessary to establish a state-chartered,
16 public cooperative bank modeled after the federal home loan bank or
17 other similar institution.

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

26 (18) \$25,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$125,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided to the education research and data
29 center within the office of financial management for the sole purpose
30 of providing a report to the appropriate committees of the
31 legislature by January 1, 2019, on postsecondary enrollment and
32 completion of Washington students with demographic information
33 included on race, ethnicity, gender, students with disabilities,
34 English language proficiency, income level, region, and types of
35 credentials, including but not limited to in- and out-of-state public
36 and private traditional two- and four-year degree granting
37 institutions, private vocational schools, state apprenticeship
38 programs, and professional licenses. The appropriation must also be
39 used to respond to data requests from researchers outside of state

1 agencies and to develop a plan for improving data governance for more
2 accurate and timely responses.

3 (19) \$52,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$412,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided to the office of financial management
6 for staffing and support to prepare for the 2020 census.

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

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

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

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

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

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

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

27 (i) Review the current sentencing grid and recommend changes to
28 simplify the grid and increase judicial discretion, including, but
29 not limited to: Reviewing and simplifying RCW 9.94A.501, 9.94A.505,
30 9.94A.525, and 9.94A.533; reviewing and simplifying the sentencing
31 grid under RCW 9.94A.510 by reducing the number of cells in the grid
32 and creating broader sentencing ranges for lower level offenses;
33 reviewing and revising seriousness levels under RCW 9.94A.515 to
34 ensure offenses have appropriately designated seriousness levels;
35 reviewing the drug sentencing grid under RCW 9.94A.517 and 9.94A.518
36 to determine if drug offenses can be incorporated into a new or
37 revised sentencing grid; and reviewing minimum term requirements
38 under RCW 9.94A.540 to avoid inconsistencies with proposed changes to
39 the grid and other sentencing policies;

1 (ii) Review mitigating and aggravating factors under RCW
2 9.94A.535 and sentencing enhancements under RCW 9.94A.533, including
3 mandatory consecutive requirements, and recommend changes to reflect
4 current sentencing purposes and policies and case law;

5 (iii) Review fines, fees, and other legal financial obligations
6 associated with criminal convictions, including, but not limited to,
7 a review of: Fines under RCW 9.94A.550; restitution under RCW
8 9.94A.750; and legal financial obligations under RCW 9.94A.760;

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

16 (v) Review available alternatives to full confinement, including,
17 but not limited to: Work crew under RCW 9.94A.725 and home detention
18 and electronic home monitoring under RCW 9.94A.734 through 9.94A.736.

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

23 **(21) \$52,000 of the general fund—state appropriation for fiscal**
24 **year 2018 and \$412,000 of the general fund—state appropriation for**
25 **fiscal year 2019 are provided to the office of financial management**
26 **for staffing and support to prepare for the 2020 census.**

**Sec. 129 was partially vetoed. See message at end of chapter.*

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

29 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

30 Administrative Hearings Revolving Account—State

31 Appropriation. ((\$38,898,000))
32 \$41,152,000

33 The appropriation in this section is subject to the following
34 conditions and limitations: \$250,000 of the administrative hearings
35 revolving account—state appropriation is provided solely for the
36 agency, in collaboration with the office of financial management, to
37 conduct a review of the agency's fee structure, billing methodology,

1 and assumptions about employee productivity which impact the fee
2 structure and billing methodology.

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

5 **FOR THE WASHINGTON STATE LOTTERY**

6 Lottery Administrative Account—State
7 Appropriation. ((~~\$28,028,000~~))
8 \$28,031,000

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

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

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

18 **Sec. 132.** 2017 3rd sp.s. c 1 s 133 (uncodified) is amended to
19 read as follows:

20 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

21 General Fund—State Appropriation (FY 2018). ((~~\$258,000~~))
22 \$255,000
23 General Fund—State Appropriation (FY 2019). ((~~\$268,000~~))
24 \$255,000
25 Pension Funding Stabilization Account—State
26 Appropriation. \$26,000
27 TOTAL APPROPRIATION. ((~~\$526,000~~))
28 \$536,000

29 **Sec. 133.** 2017 3rd sp.s. c 1 s 134 (uncodified) is amended to
30 read as follows:

31 **FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**

32 General Fund—State Appropriation (FY 2018). ((~~\$268,000~~))
33 \$269,000
34 General Fund—State Appropriation (FY 2019). ((~~\$254,000~~))
35 \$241,000
36 Pension Funding Stabilization Account—State

| | | |
|---|------------------------------|----------------------------|
| 1 | Appropriation. | \$26,000 |
| 2 | TOTAL APPROPRIATION. | ((\$522,000)) |
| 3 | | <u>\$536,000</u> |

4 **Sec. 134.** 2017 3rd sp.s. c 1 s 135 (uncodified) is amended to
5 read as follows:

6 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—OPERATIONS**

| | | |
|---|--|-------------------------------|
| 7 | Department of Retirement Systems Expense | |
| 8 | Account—State Appropriation. | ((\$56,498,000)) |
| 9 | | <u>\$57,902,000</u> |

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

12 (1) \$110,000 of the appropriation in this section is provided
13 solely for implementation of Substitute Senate Bill No. 6340 (plan 1
14 retirement benefit increases). If the bill is not enacted by June 30,
15 2018, the amount provided in this subsection shall lapse.

16 (2) \$124,000 of the department of retirement systems expense
17 account—state appropriation is provided solely to implement
18 Substitute House Bill No. 2786 (LEOFF/DOC, DSHS firefighters). If the
19 bill is not enacted by July 1, 2018, the amount provided in this
20 subsection shall lapse.

21 (3) \$255,000 of the department of retirement systems expense
22 account—state appropriation is provided solely to implement
23 Substitute House Bill No. 1558 (PSERS/offender nursing care). If the
24 bill is not enacted by July 1, 2018, the amount provided in this
25 subsection shall lapse.

26 ***Sec. 135.** 2017 3rd sp.s. c 1 s 136 (uncodified) is amended to
27 read as follows:

28 **FOR THE DEPARTMENT OF REVENUE**

| | | |
|----|---|--------------------------------|
| 29 | General Fund—State Appropriation (FY 2018). | ((\$140,954,000)) |
| 30 | | <u>\$129,925,000</u> |
| 31 | General Fund—State Appropriation (FY 2019). | ((\$138,496,000)) |
| 32 | | <u>\$135,392,000</u> |
| 33 | Timber Tax Distribution Account—State | |
| 34 | Appropriation. | ((\$6,772,000)) |
| 35 | | <u>\$6,765,000</u> |
| 36 | Waste Reduction/Recycling/Litter Control—State | |
| 37 | Appropriation. | ((\$157,000)) |

| | | |
|----|---|--------------------------------|
| 1 | | <u>\$156,000</u> |
| 2 | State Toxics Control Account—State Appropriation. . . . | ((\$112,000)) |
| 3 | | <u>\$111,000</u> |
| 4 | Business License Account—State Appropriation. . . . | ((\$28,211,000)) |
| 5 | | <u>\$16,640,000</u> |
| 6 | Performance Audits of Government Account—State | |
| 7 | Appropriation. | \$4,640,000 |
| 8 | <u>Pension Funding Stabilization Account—State</u> | |
| 9 | <u>Appropriation.</u> | <u>\$13,488,000</u> |
| 10 | Financial Services Regulation Account—State | |
| 11 | Appropriations. | \$5,000,000 |
| 12 | TOTAL APPROPRIATION. | ((\$324,342,000)) |
| 13 | | <u>\$312,117,000</u> |

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

16 (1) \$5,628,000 of the general fund—state appropriation for fiscal
17 year 2018, \$5,628,000 of the general fund—state appropriation for
18 fiscal year 2019, and \$11,257,000 of the business license account—
19 state appropriation are provided solely for the taxpayer legacy
20 system replacement project.

21 ((~~(3)~~)) (2) Prior to the suspension of the streamlined sales tax
22 mitigation program established under chapter 82.14 RCW, the
23 department must analyze if and when expected revenue gains from the
24 provisions of sections 201 through 213 of House Bill No. 2163 will be
25 equal to or exceed revenue losses to local taxing districts, as
26 measured under the streamlined sales tax mitigation system from the
27 switch to destination sourcing of sales tax. The analysis must
28 include a comprehensive review of tax, wage, census, and economic
29 data. The review must consider online sales tax and streamlined sales
30 tax mitigation trends for areas with rich concentrations of
31 warehousing distribution and manufacturing centers. The department
32 must provide a report and recommendations to the governor and
33 appropriate committees of the legislature by November 1, 2018. If
34 House Bill No. 2163 (revenue) is not enacted by July 31, 2017, this
35 subsection is void.

36 ((~~(4)~~)) (3) \$8,028,000 of the general fund—state appropriation
37 for fiscal year 2018 and \$6,304,000 of the general fund—state
38 appropriation for fiscal year 2019 are provided solely for the
39 implementation of House Bill No. 2163 (revenue). If the bill is not

1 enacted by July 31, 2017, the amounts provided in this subsection
2 shall lapse.

3 (4) \$30,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$120,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for the department to make
6 publicly available an online searchable database of all taxes and tax
7 rates in the state for each taxing district. The information must be
8 aggregated by type of tax and accessible by entering a physical
9 address for each residency or business. In addition to searching by
10 physical address for each residence or business, searches must be
11 accommodated by navigating through a map of the state as a whole and
12 down to the level of each taxing district.

13 (a) The department must also provide tax rate calculators on the
14 searchable database to allow taxpayers to calculate their potential
15 taxes. Calculators must be provided at a minimum for property, sales
16 and use, business and occupation, vehicle, and other business taxes
17 and must be specific to the rate for the taxing district in which the
18 taxpayer resides. The calculator may only be used for educational
19 purposes and does not have a legal effect on taxes due.

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

26 (c) At a minimum the following taxes and rates must be included
27 in the database and broken down to the taxing district or
28 jurisdiction level:

29 (i) State and local sales and use taxes;

30 (ii) State and local regular and excess property taxes;

31 (iii) State and local business taxes including, but not limited
32 to, business and occupation taxes, public utility taxes, unemployment
33 compensation taxes, and industrial insurance premiums;

34 (iv) State and local real estate excise taxes; and

35 (v) State and local motor vehicle taxes and fees.

36 (d) The database must also contain information, or links to
37 information, on additional selective sales taxes, selective business
38 taxes, and in-lieu of property taxes.

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

4 (5) \$1,745,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$2,019,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for the implementation of
7 chapter 209, Laws of 2017 (EHB 2005).

8 (6) \$72,000 of the general fund—state appropriation for fiscal
9 year 2019 is provided solely for the implementation of Engrossed
10 Second Substitute House Bill No. 2718 (civil forfeiture proceedings).
11 If the bill is not enacted by June 30, 2018, the amount provided in
12 this subsection shall lapse.

13 (7) \$96,000 of the general fund—state appropriation for fiscal
14 year 2019 is provided solely for the implementation of Engrossed
15 Fourth Substitute Senate Bill No. 5251 (tourism marketing). If the
16 bill is not enacted by June 30, 2018, the amount provided in this
17 subsection shall lapse.

**Sec. 135 was partially vetoed. See message at end of chapter.*

18 **Sec. 136.** 2017 3rd sp.s. c 1 s 137 (uncodified) is amended to
19 read as follows:

20 **FOR THE BOARD OF TAX APPEALS**

| | | |
|----|---|------------------------------|
| 21 | General Fund—State Appropriation (FY 2018). | ((\$1,409,000)) |
| 22 | | <u>\$1,565,000</u> |
| 23 | General Fund—State Appropriation (FY 2019). | ((\$1,438,000)) |
| 24 | | <u>\$2,254,000</u> |
| 25 | <u>Pension Funding Stabilization Account—State</u> | |
| 26 | <u>Appropriation.</u> | <u>\$162,000</u> |
| 27 | TOTAL APPROPRIATION. | ((\$2,847,000)) |
| 28 | | <u>\$3,981,000</u> |

29 The appropriations in this section are subject to the following
30 conditions and limitations: \$789,000 of the general fund—state
31 appropriation for fiscal year 2019 is provided solely for
32 implementation of Engrossed House Bill No. 2777 (board of tax appeals
33 admin.). If the bill is not enacted by June 30, 2018, the amount
34 provided in this subsection shall lapse.

35 **Sec. 137.** 2017 3rd sp.s. c 1 s 138 (uncodified) is amended to
36 read as follows:

1 **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

2 OMWBE Enterprises Account—State Appropriation. ((\$4,887,000))
3 \$4,926,000

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

6 **FOR THE INSURANCE COMMISSIONER**

7 General Fund—Federal Appropriation. ((\$4,615,000))
8 \$4,613,000

9 Insurance Commissioners Regulatory Account—State
10 Appropriation. ((\$59,548,000))
11 \$60,310,000

12 TOTAL APPROPRIATION. ((\$64,163,000))
13 \$64,923,000

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

16 (1) \$48,000 of the insurance commissioners regulatory account—
17 state appropriation is provided solely for implementation of chapter
18 103, Laws of 2017 (EHB 1450) (title insurance rating orgs.).

19 (2) \$12,000 of the insurance commissioners regulatory account—
20 state appropriation is provided solely for implementation of chapter
21 49, Laws of 2017 (SHB 1027) (surplus line broker licenses).

22 (3) \$29,000 of the insurance commissioners regulatory account—
23 state appropriation is provided solely for implementation of Senate
24 Bill No. 6059 (insurer annual disclosures). If the bill is not
25 enacted by June 30, 2018, the amount provided in this subsection
26 shall lapse.

27 (4) \$40,000 of the insurance commissioners regulatory account—
28 state appropriation is provided solely for implementation of
29 Substitute Senate Bill No. 6219 (reproductive health coverage). If
30 the bill is not enacted by June 30, 2018, the amount provided in this
31 subsection shall lapse.

32 (5) \$39,000 of the insurance commissioners regulatory account—
33 state appropriation is provided solely for implementation of Senate
34 Bill No. 5912 (tomosynthesis/mammography). If the bill is not enacted
35 by June 30, 2018, the amount provided in this subsection shall lapse.

36 (6) \$29,000 of the insurance commissioners regulatory account—
37 state appropriation is provided solely for implementation of
38 Engrossed Substitute Senate Bill No. 6241 (school employees'

1 benefits). If the bill is not enacted by June 30, 2018, the amount
2 provided in this subsection shall lapse.

3 (7) \$212,000 of the insurance commissioners regulatory account—
4 state appropriation is provided solely for implementation of
5 Substitute House Bill No. 2322 (insurers/risk mitigation). If the
6 bill is not enacted by June 30, 2018, the amount provided in this
7 subsection shall lapse.

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

10 **FOR THE STATE INVESTMENT BOARD**

11 State Investment Board Expense Account—State
12 Appropriation. ((~~\$48,916,000~~))
13 \$48,907,000

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

16 **FOR THE LIQUOR AND CANNABIS BOARD**

17 Dedicated Marijuana Fund—State Appropriation
18 (FY 2018). \$10,400,000
19 Dedicated Marijuana Fund—State Appropriation
20 (FY 2019). ((~~\$9,596,000~~))
21 \$10,585,000
22 Liquor Revolving Account—State Appropriation. ((~~\$69,578,000~~))
23 \$69,756,000
24 General Fund—Federal Appropriation. ((~~\$2,912,000~~))
25 \$2,907,000
26 General Fund—State Appropriation (FY 2018). ((~~\$372,000~~))
27 \$334,000
28 General Fund—State Appropriation (FY 2019). ((~~\$393,000~~))
29 \$349,000
30 General Fund—Private/Local Appropriation. \$50,000
31 Pension Funding Stabilization Account—State
32 Appropriation. \$78,000
33 TOTAL APPROPRIATION. ((~~\$93,301,000~~))
34 \$94,459,000

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

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

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

8 (3) \$1,420,000 of the dedicated marijuana account—state
9 appropriation for fiscal year 2018 and \$885,000 of the dedicated
10 marijuana account—state appropriation for fiscal year 2019 are
11 provided solely for the marijuana traceability system used to track
12 the production, processing, and retail sale of each marijuana product
13 as it moves through the regulated recreational and medical
14 marketplace. The board may accept a proposal for a traceability
15 system that is less than the amounts appropriated within this section
16 if the proposal meets the board's requirements. The traceability
17 system is subject to the conditions, limitations, and review provided
18 in section 724 of this act.

19 (4) \$93,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$70,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely to implement and enforce vapor
22 products licensing, packaging, and sales regulations pursuant to
23 chapter 38, Laws of 2016 (ESSB 6328).

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

31 (6) \$175,000 of the dedicated marijuana fund—state appropriation
32 for fiscal year 2019 is provided solely for implementation of Second
33 Substitute House Bill No. 2334 (cannabinoid additives). If the bill
34 is not enacted by June 30, 2018, the amount provided in this
35 subsection shall lapse.

36 (7) \$20,000 of the liquor revolving account—state appropriation
37 is provided solely for implementation of Engrossed Substitute Senate
38 Bill No. 6346 (sale of wine/microbrewery). If the bill is not enacted
39 by June 30, 2018, the amount provided in this subsection shall lapse.

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

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

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

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

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

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

23 (iv) Methods of ordering and payment;

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

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

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

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

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

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

****Sec. 140 was partially vetoed. See message at end of chapter.***

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. 141 was partially vetoed. See message at end of chapter.***

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

FOR THE MILITARY DEPARTMENT

| | |
|--|--------------------------------|
| General Fund—State Appropriation (FY 2018). | ((\$7,676,000)) |
| | <u>\$7,040,000</u> |
| General Fund—State Appropriation (FY 2019). | ((\$7,910,000)) |
| | <u>\$8,992,000</u> |
| General Fund—Federal Appropriation. | ((\$118,521,000)) |
| | <u>\$117,160,000</u> |
| Enhanced 911 Account—State Appropriation. | ((\$51,857,000)) |
| | <u>\$53,466,000</u> |
| Disaster Response Account—State Appropriation. | ((\$29,433,000)) |
| | <u>\$42,007,000</u> |
| Disaster Response Account—Federal Appropriation. | ((\$81,560,000)) |
| | <u>\$118,587,000</u> |
| Military Department Rent and Lease Account—State Appropriation. | \$615,000 |
| Worker and Community Right-to-Know Account—State Appropriation. | ((\$2,339,000)) |
| | <u>\$2,337,000</u> |
| Oil Spill Prevention Account—State Appropriation. | ((\$1,028,000)) |
| | <u>\$1,027,000</u> |

| | | |
|---|--|--------------------------------|
| 1 | <u>Pension Funding Stabilization Account—State</u> | |
| 2 | <u>Appropriation.</u> | \$1,243,000 |
| 3 | <u>Military Department Active State Service</u> | |
| 4 | <u>Account—State Appropriation.</u> | \$200,000 |
| 5 | TOTAL APPROPRIATION. | ((\$300,939,000)) |
| 6 | | <u>\$352,674,000</u> |

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

9 (1) The military department shall submit a report to the office
10 of financial management and the legislative fiscal committees on
11 (~~October 1st and~~) February 1st, July 31st, and October 31st of each
12 year detailing information on the disaster response account,
13 including: (a) The amount and type of deposits into the account; (b)
14 the current available fund balance as of the reporting date; and (c)
15 the projected fund balance at the end of the 2017-2019 biennium based
16 on current revenue and expenditure patterns.

17 (2) \$40,000,000 of the general fund—federal appropriation is
18 provided solely for homeland security, subject to the following
19 conditions: Any communications equipment purchased by local
20 jurisdictions or state agencies shall be consistent with standards
21 set by the Washington state interoperability executive committee.

22 (3) \$100,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$100,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for the conditional scholarship
25 program pursuant to chapter 28B.103 RCW.

26 (4) \$5,389,000 of the enhanced 911 account—state appropriation is
27 provided solely for transitioning to an internet protocol based next
28 generation 911 network and increased network costs during the
29 transition and hardware required for the new system. The department's
30 activities and procurement is a major information technology project
31 subject to oversight and review by the office of the chief
32 information officer.

33 (5) \$11,000,000 of the enhanced 911 account—state appropriation
34 is provided solely for financial assistance to counties.

35 (6) \$2,000,000 of the enhanced 911 account—state appropriation is
36 provided solely for one-time grants to (~~small and medium-sized,~~
37 ~~rural counties for replacement of~~) Skagit, Cowlitz, Island, and
38 Whatcom counties for replacing and upgrading the equipment necessary
39 to maintain 911 service after the state's transition to a next

1 generation 911 system(~~(, including reimbursement of replacement and~~
2 ~~upgrades that have already been made)~~). Grants may also be used to
3 reimburse costs incurred in prior biennia for replacing and upgrading
4 equipment for 911 services.

5 (7) \$784,000 of the disaster response account—state appropriation
6 is provided solely for fire suppression training (~~and~~), equipment,
7 and supporting costs to national guard soldiers and airmen.

8 (8) \$38,000 of the enhanced 911 account—state appropriation is
9 provided solely for implementation of chapter 295, Laws of 2017 (SHB
10 1258) (first responders/disability).

11 (9) \$372,000 of the disaster response account—state appropriation
12 is provided solely for implementation of chapter 312, Laws of 2017
13 (SSB 5046) (language of public notices).

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

18 (11) (~~(\$951,000)~~) \$190,000 of the disaster response account—state
19 appropriation is provided solely to Okanogan and Ferry counties to
20 continue to address deficiencies within their communications
21 infrastructure for 911 dispatch. Funding will be used to replace
22 failing radio dispatching hardware within 911 dispatch centers; build
23 interoperable communications between each county's dispatch center
24 such that each can serve as a back-up to the other; and build upon
25 the existing wireless microwave network for 911 calls, dispatch
26 centers, and first responder radio operations.

27 (12) \$1,582,000 of the general fund—state appropriation for
28 fiscal year 2019 and \$2,618,000 of the enhanced 911 account—state
29 appropriation are provided solely for the department to complete the
30 internet protocol based next generation 911 network project while
31 maintaining financial assistance to counties.

32 (13) \$200,000 of the military department active state service
33 account—state appropriation is provided solely for emergency response
34 training and planning of national guard members with funding provided
35 from Engrossed Second Substitute Senate Bill No. 6269 (oil
36 transportation safety). If the bill is not enacted by June 30, 2018,
37 the amount provided in this subsection shall lapse.

38 (14) \$150,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the emergency management division of

1 the military department to conduct an update to the October 2006
2 report to the state emergency response commission regarding statewide
3 response to chemical, biological, radiological, nuclear, and
4 explosive materials.

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

7 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

| | | |
|----|--|------------------------------|
| 8 | General Fund—State Appropriation (FY 2018). | ((\$2,076,000)) |
| 9 | | <u>\$1,962,000</u> |
| 10 | General Fund—State Appropriation (FY 2019). | ((\$2,251,000)) |
| 11 | | <u>\$2,139,000</u> |
| 12 | Higher Education Personnel Services Account—State | |
| 13 | Appropriation. | ((\$1,327,000)) |
| 14 | | <u>\$1,325,000</u> |
| 15 | Personnel Service Account—State Appropriation. | ((\$4,032,000)) |
| 16 | | <u>\$4,031,000</u> |
| 17 | <u>Pension Funding Stabilization Account—State</u> | |
| 18 | <u>Appropriation.</u> | <u>\$228,000</u> |
| 19 | TOTAL APPROPRIATION. | ((\$9,686,000)) |
| 20 | | <u>\$9,685,000</u> |

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

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

29 **FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

30 Volunteer Firefighters' and Reserve Officers'

| | | |
|----|---|------------------------------|
| 31 | Administrative Account—State Appropriation. | ((\$1,216,000)) |
| 32 | | <u>\$1,217,000</u> |

33 The appropriation in this section is subject to the following
34 conditions and limitations: \$256,000 of the volunteer firefighters'
35 and reserve officers' relief and pension administrative account—state
36 appropriation is provided solely to the pension and benefit tracking

1 system project and are subject to the conditions, limitations, and
2 review provided in section 724 of this act.

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

5 **FOR THE BOARD OF ACCOUNTANCY**

6 Certified Public Accountants' Account—State
7 Appropriation. (~~(\$2,907,000)~~)
8 \$3,244,000

9 ***Sec. 146.** 2017 3rd sp.s. c 1 s 147 (uncodified) is amended to
10 read as follows:

11 **FOR THE DEPARTMENT OF ENTERPRISE SERVICES**

12 General Fund—State Appropriation (FY 2018). (~~(\$4,368,000)~~)
13 \$4,365,000
14 General Fund—State Appropriation (FY 2019). (~~(\$4,405,000)~~)
15 \$4,528,000
16 General Fund—Private/Local Appropriation. \$102,000
17 Building Code Council Account—State Appropriation. . . (~~(\$1,056,000)~~)
18 \$1,479,000
19 TOTAL APPROPRIATION. (~~(\$9,931,000)~~)
20 \$10,474,000

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

23 (1) (~~(\$4,031,000)~~) \$4,028,000 of the general fund—state
24 appropriation for fiscal year 2018 and (~~(\$4,082,000)~~) \$4,048,000 of
25 the general fund—state appropriation for fiscal year 2019 are
26 provided solely for the payment of facilities and services charges,
27 utilities and contracts charges, public and historic facilities
28 charges, and capital projects surcharges allocable to the senate,
29 house of representatives, statute law committee, legislative support
30 services, joint legislative systems committee, and office of support
31 services. The department shall allocate charges attributable to these
32 agencies among the affected revolving funds. The department shall
33 maintain an interagency agreement with these agencies to establish
34 performance standards, prioritization of preservation and capital
35 improvement projects, and quality assurance provisions for the
36 delivery of services under this subsection. The legislative agencies
37 named in this subsection shall continue to enjoy all of the same

1 rights of occupancy and space use on the capitol campus as
2 historically established.

3 (2) In accordance with RCW 46.08.172 and 43.135.055, the
4 department is authorized to increase parking fees in fiscal years
5 2018 and 2019 as necessary to meet the actual costs of conducting
6 business.

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

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

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

21 (6)(a) During the 2017-2019 fiscal biennium, the department must
22 revise its master contracts with vendors, including cooperative
23 purchasing agreements under RCW 39.26.060, to include a provision to
24 require that each vendor agrees to equality among its workers by
25 ensuring similarly employed individuals are compensated as equals as
26 follows:

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

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

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

38 (B) A bona fide job-related factor or factors may include, but
39 not be limited to, education, training, or experience, that is:

1 Consistent with business necessity; not based on or derived from a
2 gender-based differential; and accounts for the entire differential.

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

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

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

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

14 **(7) \$14,000 of the general fund—state appropriation for fiscal**
15 **year 2019 is provided solely for implementation of Engrossed**
16 **Substitute Senate Bill No. 6081 (net metering) or Substitute House**
17 **Bill No. 2995 (energy). If neither bill is enacted by June 30, 2018,**
18 **the amount provided in this subsection shall lapse.**

19 **(8) \$13,000 of the general fund—state appropriation for fiscal**
20 **year 2019 is provided solely for implementation of Engrossed Senate**
21 **Bill No. 5450 (mass timber for building). If the bill is not enacted**
22 **by June 30, 2018, the amount provided in this subsection shall lapse.**

23 **(9) \$130,000 of the general fund—state appropriation for fiscal**
24 **year 2019 is provided solely for activities to resolve issues related**
25 **to the ferry county memorial public hospital district energy savings**
26 **performance contract. The department of enterprise services must**
27 **redouble its activities to enforce performance from the energy**
28 **savings performance contractor, identify the work necessary to**
29 **address the deficiencies of the heating, ventilation, and air**
30 **conditioning system (HVAC), and any other actions to make the**
31 **hospital district whole under the contract. The department must**
32 **provide monthly status reports to the director of the office of**
33 **financial management and the legislature on steps, timelines, and**
34 **activities to repair the HVAC system and secure contractor**
35 **performance. In the May 2018 report, the department must identify**
36 **steps that may be taken to improve its master contract to remove**
37 **contractors for performance failures from its master contract or to**
38 **add other contract remedies to prevent similar events. No moneys may**
39 **be expended from the appropriations in this section for department of**

1 enterprise services costs, except for costs related to actual
2 litigation with the energy savings performance contractor or its
3 insurer. Moneys may be used for litigation or actual repair and
4 replacement costs incurred by the hospital associated with the
5 fulfillment of the contract.

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

9 (11) \$349,000 of the building code council account—state
10 appropriation is provided solely for the state building code council.
11 If Engrossed Second Substitute House Bill No. 1622 (state building
12 code council) is not enacted by June 30, 2018, the amount provided in
13 this subsection shall lapse.

**Sec. 146 was partially vetoed. See message at end of chapter.*

14 **Sec. 147.** 2017 3rd sp.s. c 1 s 149 (uncodified) is amended to
15 read as follows:

16 **FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION**

| | | |
|----|---|------------------------------|
| 17 | General Fund—State Appropriation (FY 2018). | ((\$1,607,000)) |
| 18 | | <u>\$1,571,000</u> |
| 19 | General Fund—State Appropriation (FY 2019). | ((\$1,633,000)) |
| 20 | | <u>\$1,646,000</u> |
| 21 | General Fund—Federal Appropriation. | ((\$2,228,000)) |
| 22 | | <u>\$2,226,000</u> |
| 23 | General Fund—Private/Local Appropriation. | \$264,000 |
| 24 | <u>Pension Funding Stabilization Account—State</u> | |
| 25 | <u>Appropriation.</u> | <u>\$136,000</u> |
| 26 | TOTAL APPROPRIATION. | ((\$5,732,000)) |
| 27 | | <u>\$5,843,000</u> |

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

30 (1) \$103,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$103,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for archaeological
33 determinations and excavations of inadvertently discovered skeletal
34 human remains, and removal and reinterment of such remains when
35 necessary.

36 (2) \$80,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the department of archaeology and

1 historic preservation to collaborate with the department of commerce
2 to facilitate a capital needs assessment study of public libraries in
3 distressed counties as defined by RCW 43.168.020(3). The study must
4 assess library facility backlogs and the local funding capacity for
5 both nonhistoric libraries and libraries on local, state, or national
6 historic registries.

7 *Sec. 148. 2017 3rd sp.s. c 1 s 150 (uncodified) is amended to
8 read as follows:

9 **FOR THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY**

| | | |
|----|--|-------------------------------|
| 10 | General Fund—State Appropriation (FY 2018). | \$187,000 |
| 11 | General Fund—State Appropriation (FY 2019). | \$188,000 |
| 12 | Consolidated Technology Services Revolving | |
| 13 | Account—State Appropriation | ((\$19,136,000)) |
| 14 | | <u>\$18,578,000</u> |
| 15 | <u>Broadband Access Account—State Appropriation.</u> | <u>\$500,000</u> |
| 16 | TOTAL APPROPRIATION. | ((\$19,511,000)) |
| 17 | | <u>\$19,453,000</u> |

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

20 (1) \$7,263,000 of the consolidated technology services revolving
21 account—state appropriation is for the office of the chief
22 information officer.

23 (2) ((~~\$9,443,000~~)) \$10,668,000 of the consolidated technology
24 services revolving account—state appropriation is for the office of
25 cyber security.

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

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

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

34 (4) The consolidated technology services agency shall provide
35 desktop support services without charging a per device fee to the
36 following agencies: The governor's office of Indian affairs, the
37 commission on Asian Pacific American affairs, the citizen's
38 commission on salaries for elected officials, the commission on

1 Hispanic affairs, and the commission on African-American affairs. The
2 consolidated technology services agency must not withhold or reduce
3 desktop support services provided to small agencies that had been
4 receiving desktop support services and had not previously received
5 appropriations provided specifically for the purpose of reimbursing
6 the consolidated technology services agency for those services.

7 (5) In conjunction with the office of the chief information
8 officer's prioritization of proposed information technology
9 expenditures, agency budget requests for proposed information
10 technology expenditures shall include the following: The agency's
11 priority ranking of each information technology request; the
12 estimated cost for the current biennium; the estimated total cost of
13 the request over all biennia; and the expected timeline to complete
14 the request. The office of the chief information officer and the
15 office of financial management may request agencies to include
16 additional information on proposed information technology expenditure
17 requests.

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

23 (7) \$500,000 of the consolidated technology services revolving
24 account—state appropriation is provided solely for the agency, in
25 collaboration with the office of financial management, to conduct a
26 zero-based budget review of the agency's services. Information and
27 analysis submitted by the department for the zero-based review under
28 this subsection shall include:

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

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

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

37 (d) A description with supporting cost and staffing data of each
38 program or service and the populations served by each program or
39 service, and the level of funding and staff required to accomplish

1 the goals of the program or service if different than the actual
2 maintenance level;

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

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

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

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

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

13 ~~((9))~~ (8) Within existing resources, the agency must provide
14 oversight of state procurement and contracting for information
15 technology goods and services by the department of enterprise
16 services.

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

20 (10) \$500,000 of the broadband access account—state appropriation
21 is provided solely for the department to create the governor's office
22 on broadband access as provided in Engrossed Second Substitute Senate
23 Bill No. 5935 (broadband and telecommunication service). Of the
24 amount provided, the department must fund at least one staff person
25 to focus on rural unserved and underserved communities, including
26 tribes. If the bill is not enacted by June 30, 2018, the amount
27 provided in this subsection shall lapse.

*Sec. 148 was partially vetoed. See message at end of chapter.

(End of part)

PART II
HUMAN SERVICES

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

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

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

(2) The department of social and health services shall not initiate any services that require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation providing appropriation authority, and an equal amount of appropriated state general fund moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

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

1 federal government, historical utilization, economic data, and
2 clinical input constitute reliable data upon which to determine the
3 payment rates.

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

15 (5) Information technology projects or investments and proposed
16 projects or investments impacting time capture, payroll and payment
17 processes and systems, eligibility, case management, and
18 authorization systems within the department of social and health
19 services are subject to technical oversight by the office of the
20 chief information officer.

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

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

35 (7) In accordance with RCW 71.24.380, the health care authority
36 and the department are authorized to purchase medical and behavioral
37 health services through integrated contracts upon request of all of
38 the county authorities in a regional service area to become an early
39 adopter of fully integrated purchasing of medical and behavioral
40 health services. The department may combine and transfer such amounts

1 appropriated under sections 204, 208, and 213 of this act as may be
2 necessary to fund early adopter contracts. The amount of medicaid
3 funding transferred from each program may not exceed the average per
4 capita cost assumed in this act for individuals covered by that
5 program, actuarially adjusted for the health condition of persons
6 enrolled, times the number of clients enrolled. The amount of non-
7 medicaid funding transferred from sections 204 and 208 may not exceed
8 the amount that would have been contracted with a behavioral health
9 organization if the county authorities had not requested to become an
10 early adopter of fully integrated purchasing. These limits do not
11 apply to the amounts provided in section 204(1)(s) of this act. If
12 any funding that this act provides solely for a specific purpose is
13 transferred under this subsection, that funding must be used
14 consistently with the provisions and conditions for which it was
15 provided.

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

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

35 (b) To the extent that transfers under (a) of this subsection are
36 insufficient to fund actual expenditures in excess of fiscal year
37 2018 caseload forecasts and utilization assumptions in the long-term
38 care, developmental disabilities, foster care, adoption support, and
39 public assistance programs, the department may transfer state
40 appropriations that are provided solely for a specified purpose.

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

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

9 (e) The department may not transfer appropriations, and the
10 director of the office of financial management may not approve the
11 transfer, unless the transfer is consistent with the objective of
12 conserving, to the maximum extent possible, the expenditure of state
13 funds. The director of the office of financial management shall
14 notify the appropriate fiscal committees of the senate and house of
15 representatives in writing seven days prior to approving any
16 allotment modifications or transfers under this subsection. The
17 written notification shall include a narrative explanation and
18 justification of the changes, along with expenditures and allotments
19 by budget unit and appropriation, both before and after any allotment
20 modifications or transfers.

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

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

| | | |
|----|---|--------------------------------|
| 25 | General Fund—State Appropriation (FY 2018). | ((\$348,992,000)) |
| 26 | | <u>\$345,901,000</u> |
| 27 | General Fund—Federal Appropriation. | ((\$265,365,000)) |
| 28 | | <u>\$279,131,000</u> |
| 29 | General Fund—Private/Local Appropriation. | \$1,477,000 |
| 30 | Domestic Violence Prevention Account—State | |
| 31 | Appropriation. | \$1,002,000 |
| 32 | <u>Pension Funding Stabilization Account—</u> | |
| 33 | <u>State Appropriation.</u> | <u>\$9,132,000</u> |
| 34 | TOTAL APPROPRIATION. | ((\$616,836,000)) |
| 35 | | <u>\$636,643,000</u> |

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

1 (1) \$748,000 of the general fund—state appropriation for fiscal
2 year 2018 is provided solely to contract for the operation of one
3 pediatric interim care center. The center shall provide residential
4 care for up to thirteen children through two years of age. Seventy-
5 five percent of the children served by the center must be in need of
6 special care as a result of substance abuse by their mothers. The
7 center shall also provide on-site training to biological, adoptive,
8 or foster parents. The center shall provide at least three months of
9 consultation and support to the parents accepting placement of
10 children from the center. The center may recruit new and current
11 foster and adoptive parents for infants served by the center. The
12 department shall not require case management as a condition of the
13 contract.

14 (2) \$253,000 of the general fund—state appropriation for fiscal
15 year 2018 is provided solely for the costs of hub home foster
16 families that provide a foster care delivery model that includes a
17 licensed hub home. Use of the hub home model is intended to support
18 foster parent retention, improve child outcomes, and encourage the
19 least restrictive community placements for children in out-of-home
20 care.

21 (3) \$579,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$55,000 of the general fund—federal appropriation are
23 provided solely for a receiving care center east of the Cascade
24 mountains.

25 (4) \$990,000 of the general fund—state appropriation for fiscal
26 year 2018 is provided solely for services provided through children's
27 advocacy centers.

28 (5) \$1,351,000 of the general fund—state appropriation for fiscal
29 year 2018 is provided solely for implementation of performance-based
30 contracts for family support and related services pursuant to RCW
31 74.13B.020.

32 (6) \$9,474,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$6,022,000 of the general fund—federal appropriation
34 are provided solely for family assessment response.

35 (7) \$94,000 of the general fund—state appropriation for fiscal
36 year 2018 is provided solely for a contract with a child advocacy
37 center in Spokane to provide continuum of care services for children
38 who have experienced abuse or neglect and their families.

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

7 (9)(a) \$539,000 of the general fund—state appropriation for
8 fiscal year 2018, \$328,000 of the general fund private/local
9 appropriation, and \$126,000 of the general fund—federal appropriation
10 are provided solely for a contract with an educational advocacy
11 provider with expertise in foster care educational outreach. The
12 amounts in this subsection are provided solely for contracted
13 education coordinators to assist foster children in succeeding in
14 K-12 and higher education systems and to assure a focus on education
15 during the department's transition to performance-based contracts.
16 Funding must be prioritized to regions with high numbers of foster
17 care youth, or regions where backlogs of youth that have formerly
18 requested educational outreach services exist. The children's
19 administration is encouraged to use private matching funds to
20 maintain educational advocacy services.

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

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

29 (11) \$111,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$26,000 of the general fund—federal appropriation are
31 provided solely for a base rate increase for licensed family child
32 care providers. In addition, \$45,000 of the general fund—state
33 appropriation for fiscal year 2018 and \$11,000 of the general fund—
34 federal appropriation are provided solely for increasing paid
35 professional days from three days to five days for licensed family
36 child care providers. Amounts in this subsection are provided solely
37 for the 2017-2019 collective bargaining agreement covering family
38 child care providers as set forth in section 940 of this act. Amounts
39 provided in this section are contingent upon the enactment of Senate

1 Bill No. 5969 (transparency in public employee collective
2 bargaining). If the bill is not enacted by July 31, 2017, the
3 appropriation in this subsection shall lapse.

4 (12) \$159,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$65,000 of the general fund—federal appropriation are
6 provided solely to implement chapter 265, Laws of 2017 (SHB 1867)
7 (extended foster care).

8 (13) \$100,000 of the general fund—state appropriation for fiscal
9 year 2018 is provided solely for a contract with a national nonprofit
10 organization to, in partnership with private matching funds,
11 subcontract with a community organization for specialized, enhanced
12 adoption placement services for legally free children in state
13 custody. The contract must supplement, but not supplant, the work of
14 the children's administration to secure permanent adoptive homes for
15 children.

16 (14) \$375,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$56,000 of the general fund—federal appropriation are
18 provided solely for the children's administration to develop,
19 implement, and expand strategies to improve the capacity,
20 reliability, and effectiveness of contracted visitation services for
21 children in temporary out-of-home care and their parents and
22 siblings. Strategies may include, but are not limited to, increasing
23 mileage reimbursement for providers, offering transportation-only
24 contract options, and mechanisms to reduce the level of parent-child
25 supervision when doing so is in the best interest of the child. The
26 children's administration must submit an analysis of the strategies
27 and associated outcomes no later than October 1, 2018.

28 (15) \$63,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$19,000 of the general fund—federal appropriation are
30 provided solely for implementation of Engrossed Second Substitute
31 House Bill No. 1661 (child, youth, families/department). If the bill
32 is not enacted by July 31, 2017, the amounts provided in this
33 subsection shall lapse.

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

37 (17) \$839,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$160,000 of the general fund—federal appropriation are

1 provided solely for a six percent base rate increase for child care
2 center providers, effective September 1, 2017.

3 (18) \$1,230,000 of the general fund—state appropriation for
4 fiscal year 2018 and \$78,000 of the general fund—federal
5 appropriation are provided solely to increase the travel
6 reimbursement for in-home service providers.

7 (19) \$160,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$3,000 of the general fund—federal appropriation are
9 provided solely to implement chapter 207, Laws of 2017 (E2SHB 1819)
10 (paperwork requirements).

11 (20) \$25,000 of the general fund—state appropriation for fiscal
12 year 2018 is provided solely for an entity in Yakima county to
13 provide advocacy and support services to children in foster care.

14 (21) \$203,000 of the general fund—state appropriation for fiscal
15 year 2018 is provided solely for the department to conduct biennial
16 inspections and certifications of facilities, both overnight and day
17 shelters, that serve those who are under 18 years of age and are
18 homeless.

19 (22) \$863,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$573,000 of the general fund—federal appropriation are
21 provided solely to implement Engrossed Substitute Senate Bill No.
22 5890 (foster care and adoption). Within the amounts provided in this
23 subsection, \$366,000 of the general fund—state appropriation for
24 fiscal year 2018 and \$174,000 of the general fund—federal
25 appropriation are provided solely for short-term care for licensed
26 foster families. If the bill is not enacted by July 31, 2017, the
27 amounts provided in this subsection shall lapse.

28 (23) \$658,000 of the general fund—state appropriation for fiscal
29 year 2018 is provided solely for the department to operate emergent
30 placement contracts. The department shall not include the costs to
31 operate emergent placement contracts in the calculations for family
32 foster home maintenance payments.

33 (24) The appropriations in this section include sufficient
34 funding for the implementation of Second Substitute Senate Bill No.
35 6453 (kinship caregiver legal support).

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

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

| | | |
|----|---|--------------------------------|
| 3 | General Fund—State Appropriation (FY 2018). | ((\$95,885,000)) |
| 4 | | <u>\$91,247,000</u> |
| 5 | General Fund—State Appropriation (FY 2019). | ((\$97,123,000)) |
| 6 | | <u>\$93,660,000</u> |
| 7 | General Fund—Federal Appropriation. | \$3,464,000 |
| 8 | General Fund—Private/Local Appropriation. | \$1,985,000 |
| 9 | Washington Auto Theft Prevention Authority Account— | |
| 10 | State Appropriation. | \$196,000 |
| 11 | <u>Pension Funding Stabilization Account—State</u> | |
| 12 | <u>Appropriation.</u> | <u>\$8,721,000</u> |
| 13 | TOTAL APPROPRIATION. | ((\$198,653,000)) |
| 14 | | <u>\$199,273,000</u> |

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

17 (1) \$331,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$331,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for deposit in the county
20 criminal justice assistance account for costs to the criminal justice
21 system associated with the implementation of chapter 338, Laws of
22 1997 (juvenile code revisions). The amounts provided in this
23 subsection are intended to provide funding for county adult court
24 costs associated with the implementation of chapter 338, Laws of 1997
25 and shall be distributed in accordance with RCW 82.14.310.

26 (2) \$2,841,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$2,841,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for grants to county juvenile
29 courts for the following juvenile justice programs identified by the
30 Washington state institute for public policy (institute) in its
31 report: "Inventory of Evidence-based, Research-based, and Promising
32 Practices for Prevention and Intervention Services for Children and
33 Juveniles in the Child Welfare, Juvenile Justice, and Mental Health
34 Systems." Additional funding for this purpose is provided through an
35 interagency agreement with the health care authority. County juvenile
36 courts shall apply to the juvenile rehabilitation administration for
37 funding for program-specific participation and the administration
38 shall provide grants to the courts consistent with the per-
39 participant treatment costs identified by the institute.

1 (3) \$1,537,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$1,537,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for expansion of the following
4 juvenile justice treatments and therapies in juvenile rehabilitation
5 administration programs identified by the Washington state institute
6 for public policy in its report: "Inventory of Evidence-based,
7 Research-based, and Promising Practices for Prevention and
8 Intervention Services for Children and Juveniles in the Child
9 Welfare, Juvenile Justice, and Mental Health Systems." The
10 administration may concentrate delivery of these treatments and
11 therapies at a limited number of programs to deliver the treatments
12 in a cost-effective manner.

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

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

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

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

23 (d) The juvenile rehabilitation administration and the juvenile
24 courts shall establish a block grant funding formula oversight
25 committee with equal representation from the juvenile rehabilitation
26 administration and the juvenile courts. The purpose of this committee
27 is to assess the ongoing implementation of the block grant funding
28 formula, utilizing data-driven decision making and the most current
29 available information. The committee will be co-chaired by the
30 juvenile rehabilitation administration and the juvenile courts, who
31 will also have the ability to change members of the committee as
32 needed to achieve its purpose. The committee may make changes to the
33 formula categories in (b) of this subsection if it determines the
34 changes will increase statewide service delivery or effectiveness of
35 evidence-based program or disposition alternative resulting in
36 increased cost/benefit savings to the state, including long-term
37 cost/benefit savings. The committee must also consider these outcomes
38 in determining when evidence-based expansion or special sex offender
39 disposition alternative funds should be included in the block grant
40 or left separate.

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

10 (5) \$98,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$98,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely to the juvenile block grant
13 funding formula oversight committee described in subsection (4)(d) of
14 this section to contract with research entities to: (a) Assist
15 juvenile justice programs identified as promising practices or
16 research-based in undergoing the research necessary to demonstrate
17 that the program is evidence-based; and (b) establish an annual,
18 county-level evaluation of existing evidence-based juvenile justice
19 programs.

20 (6) \$557,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$557,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for funding of the teamchild
23 project.

24 (7) \$283,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$283,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for the juvenile detention
27 alternatives initiative.

28 (8) \$500,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$500,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for a grant program focused on
31 criminal street gang prevention and intervention. The juvenile
32 rehabilitation administration may award grants under this subsection.
33 The juvenile rehabilitation administration shall give priority to
34 applicants who have demonstrated the greatest problems with criminal
35 street gangs. Applicants composed of, at a minimum, one or more local
36 governmental entities and one or more nonprofit, nongovernmental
37 organizations that have a documented history of creating and
38 administering effective criminal street gang prevention and
39 intervention programs may apply for funding under this subsection.

1 Each entity receiving funds must report to the juvenile
2 rehabilitation administration on the number and types of youth
3 served, the services provided, and the impact of those services on
4 the youth and the community.

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

9 (10) \$75,000 of the general fund—state appropriation for fiscal
10 year 2018 is provided solely for the department to coordinate the
11 examination of data associated with juvenile gang and firearm
12 offenses. The review of data must include information from the
13 administrative office of the courts, the office of the superintendent
14 of public instruction, the office of financial management—education
15 research data center, the Washington association of sheriffs and
16 police chiefs, the caseload forecast council, and the department of
17 corrections. For the purpose of carrying out the data review, named
18 organizations are authorized to share data to include details of
19 criminal arrest and conviction data. The department shall report to
20 the governor and the appropriate legislative committees by February
21 1, 2018, with any recommendations for public policy that increases
22 public safety.

23 (11) \$107,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$432,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for the department to provide
26 housing services to clients releasing from incarceration into the
27 community.

28 (12) \$75,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely for the implementation of Engrossed
30 Second Substitute Senate Bill No. 6160 (exclusive adult
31 jurisdiction). If the bill is not enacted by June 30, 2018, the
32 amount provided in this subsection shall lapse.

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

35 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—MENTAL HEALTH**
36 **PROGRAM**

37 (1) COMMUNITY SERVICES/BEHAVIORAL HEALTH ORGANIZATIONS
38 General Fund—State Appropriation (FY 2018). . . . ((~~\$391,457,000~~))

| | | |
|----|--|----------------------------------|
| 1 | | <u>\$381,760,000</u> |
| 2 | ((General Fund—State Appropriation (FY 2019). | \$409,108,000)) |
| 3 | General Fund—Federal Appropriation. | ((\$1,021,705,000)) |
| 4 | | <u>\$481,439,000</u> |
| 5 | General Fund—Private/Local Appropriation. | ((\$17,864,000)) |
| 6 | | <u>\$8,932,000</u> |
| 7 | Dedicated Marijuana Account—State Appropriation | |
| 8 | (FY 2018). | \$3,684,000 |
| 9 | ((Dedicated Marijuana Account—State Appropriation | |
| 10 | (FY 2019). | \$3,684,000)) |
| 11 | <u>Pension Funding Stabilization Account—State</u> | |
| 12 | <u>Appropriation.</u> | <u>\$39,000</u> |
| 13 | TOTAL APPROPRIATION. | ((\$1,847,502,000)) |
| 14 | | <u>\$875,854,000</u> |

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

17 (a) For the purposes of this subsection, amounts provided for
18 behavioral health organizations shall also be available for the
19 health care authority to contract with entities that assume the
20 responsibilities of behavioral health organizations in regions in
21 which the health care authority is purchasing medical and behavioral
22 health services through fully integrated contracts pursuant to RCW
23 71.24.380.

24 (b) \$6,590,000 of the general fund—state appropriation for fiscal
25 year 2018(~~(, \$6,590,000 of the general fund—state appropriation for~~
26 ~~fiscal year 2019,)) and ((~~\$7,620,000~~)) \$3,810,000 of the general fund
27 —federal appropriation are provided solely for the department and
28 behavioral health organizations to continue to contract for
29 implementation of high-intensity programs for assertive community
30 treatment (PACT) teams. In determining the proportion of medicaid and
31 nonmedicaid funding provided to behavioral health organizations with
32 PACT teams, the department shall consider the differences between
33 behavioral health organizations in the percentages of services and
34 other costs associated with the teams that are not reimbursable under
35 medicaid. The department may allow behavioral health organizations
36 which have nonmedicaid reimbursable costs that are higher than the
37 nonmedicaid allocation they receive under this section to supplement
38 these funds with local dollars or funds received under ~~((g))~~ (f) of
39 this subsection. The department and behavioral health organizations~~

1 shall maintain consistency with all essential elements of the PACT
2 evidence-based practice model in programs funded under this section.

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

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

19 ~~(e) (~~(\$6,858,000 of the general fund state appropriation for~~~~
20 ~~fiscal year 2019 and \$4,023,000 of the general fund federal~~
21 ~~appropriation are provided solely for new crisis triage or~~
22 ~~stabilization centers. The department must seek proposals from~~
23 ~~behavioral health organizations for the use of these funds based on~~
24 ~~regional priorities. Services in these facilities may include crisis~~
25 ~~stabilization and intervention, individual counseling, peer support,~~
26 ~~medication management, education, and referral assistance. The~~
27 ~~department shall monitor each center's effectiveness at lowering the~~
28 ~~rate of state psychiatric hospital admissions.~~

29 ~~(f) ~~(\$15,862,000)~~~~) \$11,405,000 of the general fund—state
30 appropriation for fiscal year 2018 is provided solely to assist
31 behavioral health organizations with the costs of providing services
32 to medicaid clients receiving services in psychiatric facilities
33 classified as institutions of mental diseases. The department must
34 distribute these amounts proportionate to the number of bed days for
35 medicaid clients in institutions for mental diseases that were
36 excluded from behavioral health organization fiscal year 2018
37 capitation rates because they exceeded the amounts allowed under
38 federal regulations. The department must also use these amounts to
39 directly pay for costs that are ineligible for medicaid reimbursement

1 in institutions of mental disease facilities for American Indian and
2 Alaska Natives who opt to receive behavioral health services on a fee
3 for service basis. The amounts used for these individuals must be
4 reduced from the allocation of the behavioral health organization
5 where the individual resides. If a behavioral health organization
6 receives more funding through this subsection than is needed to pay
7 for the cost of their medicaid clients in institutions for mental
8 diseases, they must use the remainder of the amounts to provide other
9 services not covered under the medicaid program. The department must
10 apply for a waiver from the center for medicaid and medicare services
11 to allow for the full cost of stays in institutions of mental
12 diseases to be included in fiscal year 2019 behavioral health
13 organization capitation rates. The department may tailor the fiscal
14 year 2019 waiver to specific populations for which the center for
15 medicaid and medicare services has indicated they are likely to
16 approve and work to further expand the waiver to other populations in
17 fiscal year 2020. The department must submit a report on the status
18 of the waiver to the office of financial management and the
19 appropriate committees of the legislature by December 1, 2017.

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

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

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

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

13 (B) Crisis outreach and diversion services to stabilize in the
14 community individuals in crisis who are at risk of requiring
15 inpatient care or jail services;

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

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

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

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

31 ~~((+k+))~~ (j) Behavioral health organizations may use local funds
32 to earn additional federal medicaid match, provided the locally
33 matched rate does not exceed the upper-bound of their federally
34 allowable rate range, and provided that the enhanced funding is used
35 only to provide medicaid state plan or waiver services to medicaid
36 clients. Additionally, behavioral health organizations may use a
37 portion of the state funds allocated in accordance with ~~((+g+))~~ (f)
38 of this subsection to earn additional medicaid match, but only to the
39 extent that the application of such funds to medicaid services does

1 not diminish the level of crisis and commitment, community inpatient,
2 residential care, and outpatient services presently available to
3 persons not eligible for medicaid.

4 ~~((l))~~ (k) \$2,291,000 of the general fund—state appropriation
5 for fiscal year 2018 ~~((and \$2,291,000 of the general fund—state
6 appropriation for fiscal year 2019 are))~~ is provided solely for
7 mental health services for mentally ill offenders while confined in a
8 county or city jail and for facilitating access to programs that
9 offer mental health services upon release from confinement. The
10 department must collect information from the behavioral health
11 organizations on their plan for using these funds, the numbers of
12 individuals served, and the types of services provided and submit a
13 report to the office of financial management and the appropriate
14 fiscal committees of the legislature by December 1st of each year of
15 the biennium.

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

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

1 ~~((+o))~~ (n) \$2,309,000 of the general fund—state appropriation
2 for fiscal year 2018 ~~((, — \$3,079,000 of the general fund—state~~
3 ~~appropriation for fiscal year 2019,))~~ and ~~((\$5,061,000))~~ \$2,169,000
4 of the general fund—federal appropriation are provided solely for the
5 department to increase rates for community hospitals that provide a
6 minimum of 200 medicaid psychiatric inpatient days. The department
7 must increase both medicaid and nonmedicaid psychiatric per-diem
8 reimbursement rates for these providers within these amounts. The
9 amounts in this subsection include funding for additional hold
10 harmless payments resulting from the rate increase. The department
11 shall prioritize increases for hospitals not currently paid based on
12 provider specific costs using a similar methodology used to set rate
13 for existing inpatient facilities and the latest available cost
14 report information. Rate increases for providers must be set so as
15 not to exceed the amounts provided within this subsection. The rate
16 increase related to nonmedicaid clients must be done to maintain the
17 provider at the same percentage as currently required under WAC
18 182-550-4800.

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

30 ~~((+q))~~ (p) \$1,466,000 of the general fund—state appropriation
31 for fiscal year 2018 ~~((, — \$7,103,000 of the general fund—state~~
32 ~~appropriation for fiscal year 2019,))~~ and ~~((\$9,715,000))~~ \$1,663,000
33 of the general fund—federal appropriation are provided solely for the
34 department to contract with community hospitals or freestanding
35 evaluation and treatment centers to provide up to forty-eight long-
36 term inpatient care beds as defined in RCW 71.24.025. The department
37 must seek proposals and contract directly for these services rather
38 than contracting through behavioral health organizations. The
39 department must coordinate with the department of social and health

1 services in developing the contract requirements, selecting
2 contractors, and establishing processes for identifying patients that
3 will be admitted to these facilities. The department must not use any
4 of the amounts provided under this subsection for contracts with
5 facilities that are subject to federal funding restrictions that
6 apply to institutions of mental diseases, unless they have received a
7 waiver that allows for full federal participation in these
8 facilities.

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

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

37 ~~((t)) (r) The number of beds allocated for use by behavioral~~
38 ~~health organizations at eastern state hospital shall be 192 per day.~~
39 ~~The number of nonforensic beds allocated for use by behavioral health~~

1 organizations at western state hospital shall be 557 per day. In
2 fiscal year 2019, the department must reduce the number of beds
3 allocated for use by behavioral health organizations at western state
4 hospital by 30 beds to allow for the repurposing of a civil ward at
5 western state hospital to provide forensic services. The contracted
6 beds provided under ~~((q))~~ (p) of this subsection shall be allocated
7 to the behavioral health organizations in lieu of beds at the state
8 hospitals and be incorporated in their allocation of state hospital
9 patient days of care for the purposes of calculating reimbursements
10 pursuant to RCW 71.24.310. It is the intent of the legislature to
11 continue the policy of expanding community based alternatives for
12 long term civil commitment services that allow for state hospital
13 beds to be prioritized for forensic patients.

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

1 designated behavioral health organization for any of the services
2 identified above, it may consider contracting for that service in
3 another region that has the need for such service.

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

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

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

37 (w) No more than \$6,464,000 of the general fund—federal
38 appropriation may be expended for supported housing and employment
39 services described in initiative 3a and 3b of the medicaid

1 transformation demonstration waiver under healthier Washington. Under
 2 this initiative, the department and the health care authority shall
 3 ensure that allowable and necessary services are provided to eligible
 4 clients as identified by the department or its providers or third
 5 party administrator. The department and the authority in consultation
 6 with the medicaid forecast work group, shall ensure that reasonable
 7 reimbursements are established for services deemed necessary within
 8 an identified limit per individual. The department shall not increase
 9 general fund—state expenditures under this initiative. The secretary
 10 in collaboration with the director of the authority shall report to
 11 the joint select committee on health care oversight no less than
 12 quarterly on financial and health outcomes. The secretary in
 13 cooperation with the director shall also report to the fiscal
 14 committees of the legislature all of the expenditures of this
 15 subsection and shall provide such fiscal data in the time, manner,
 16 and form requested by the legislative fiscal committees.

17 (2) INSTITUTIONAL SERVICES

| | | |
|----|---|--------------------------------|
| 18 | General Fund—State Appropriation (FY 2018). | ((\$286,936,000)) |
| 19 | | <u>\$330,214,000</u> |
| 20 | General Fund—State Appropriation (FY 2019). | ((\$277,823,000)) |
| 21 | | <u>\$259,313,000</u> |
| 22 | General Fund—Federal Appropriation. | ((\$148,093,000)) |
| 23 | | <u>\$181,793,000</u> |
| 24 | General Fund—Private/Local Appropriation. | ((\$52,630,000)) |
| 25 | | <u>\$61,282,000</u> |
| 26 | <u>Pension Funding Stabilization Account—State</u> | |
| 27 | <u>Appropriation.</u> | <u>\$34,746,000</u> |
| 28 | TOTAL APPROPRIATION. | ((\$765,482,000)) |
| 29 | | <u>\$867,348,000</u> |

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

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

35 (b) \$311,000 of the general fund—state appropriation for fiscal
 36 year 2018 and \$310,000 of the general fund—state appropriation for
 37 fiscal year 2019 are provided solely for a community partnership
 38 between western state hospital and the city of Lakewood to support
 39 community policing efforts in the Lakewood community surrounding

1 western state hospital. The amounts provided in this subsection
2 (2)(b) are for the salaries, benefits, supplies, and equipment for
3 one full-time investigator, one full-time police officer, and one
4 full-time community service officer at the city of Lakewood. The
5 department must collect data from the city of Lakewood on the use of
6 the funds and the number of calls responded to by the community
7 policing program and submit a report with this information to the
8 office of financial management and the appropriate fiscal committees
9 of the legislature each December of the fiscal biennium.

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

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

27 (e) (~~(\$25,053,000)~~) \$20,883,000 of the general fund—state
28 appropriation for fiscal year 2018 and (~~(\$25,847,000)~~) \$33,558,000 of
29 the general fund—state appropriation for fiscal year 2019 are
30 provided solely for implementation of efforts to improve the
31 timeliness of competency restoration services pursuant to chapter 5,
32 Laws of 2015 (SSB 5889) (timeliness of competency treatment and
33 evaluation services). These amounts must be used to maintain and
34 further increase the number of forensic beds at western state
35 hospital and eastern state hospital. Pursuant to chapter 7, Laws of
36 2015 1st sp. sess. (2E2SSB 5177) (timeliness of competency treatment
37 and evaluation services), the department may contract some of these
38 amounts for services at alternative locations if the secretary
39 determines that there is a need.

1 (f) (~~(\$3,261,000)~~) \$3,928,000 of the general fund—state
2 appropriation for fiscal year 2018 and (~~(\$3,261,000)~~) \$4,249,000 of
3 the general fund—state appropriation for fiscal year 2019 are
4 provided solely to maintain and further increase implementation of
5 efforts to improve the timeliness of competency evaluation services
6 for individuals who are in local jails pursuant to chapter 5, Laws of
7 2015 (SSB 5889) (timeliness of competency treatment and evaluation
8 services). This funding must be used solely to maintain increases in
9 the number of staff providing competency evaluation services.

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

17 (h) \$20,234,000 of the general fund—state appropriation for
18 fiscal year 2018 and \$20,234,000 of the general fund—state
19 appropriation for fiscal year 2019 are provided solely to meet the
20 requirements of the systems improvement agreement with the centers
21 for medicare and medicaid services as outlined in seven conditions of
22 participation and to maintain federal funding. The department shall
23 specifically account for all spending related to the agreement and
24 reconcile it back to the original funding plan. Changes of more than
25 ten percent in any area of the spending plan must be submitted to the
26 office of financial management for approval. The department must
27 submit a financial analysis to the office of financial management and
28 the appropriate committees of the legislature which compares current
29 staffing levels at eastern and western state hospitals, at the ward
30 level, with the specific staffing levels recommended in the state
31 hospitals' clinical model analysis project report submitted by OTB
32 Solutions in 2016. To the extent that the financial analysis includes
33 any differential in staffing from what was recommended in the report,
34 the department must clearly identify these differences and the
35 associated costs. The department must submit the financial analysis
36 by September 1, 2017.

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

1 (j) \$1,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$2,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for the implementation of Senate
4 Bill No. 5118 (personal needs allowance). If the bill is not enacted
5 by July 31, 2017, the amounts provided in this subsection shall
6 lapse.

7 (k) \$34,584,000 of the general fund—state appropriation for
8 fiscal year 2018 is provided solely for increased staffing and other
9 costs at the state hospitals that are required to maintain federal
10 certification and compliance with federal agreements. Throughout the
11 biennium, the department must track state hospital staffing
12 expenditures, including the use of overtime and contracted locums, to
13 allotments and submit monthly reports to the office of financial
14 management. The office of financial management must review these
15 reports and make a determination as to whether the overspending in
16 these areas is required to maintain federal certification and
17 compliance with federal agreements. The office of financial
18 management must notify the department each month whether and to what
19 level the overspending on staffing is approved and may be maintained
20 and whether and to what level the department must reduce such
21 expenditures. By December 2, 2018, the office of financial management
22 must provide a report to the appropriate committees of the
23 legislature on spending beyond appropriations for staffing at the
24 state hospitals and identify the level of overspending that has been
25 approved and any direction provided by the office of financial
26 management to reduce overspending on staffing that was not required
27 to maintain federal certification and compliance with federal
28 agreements.

29 (l) \$100,000 of the general fund—state appropriation for fiscal
30 year 2019 is provided solely for the department to track compliance
31 with RCW 71.05.365 requirements for transition of state hospital
32 patients into community settings within fourteen days of the
33 determination that they no longer require active psychiatric
34 treatment at an inpatient level of care. The department must use
35 these funds to track the following elements related to this
36 requirement: (i) The date on which an individual is determined to no
37 longer require active psychiatric treatment at an inpatient level of
38 care; (ii) the date on which the behavioral health organizations and
39 other organizations responsible for resource management services for

1 the person is notified of this determination; and (iii) the date on
2 which either the individual is transitioned to the community or has
3 been re-evaluated and determined to again require active psychiatric
4 treatment at an inpatient level of care. The department must provide
5 this information in regular intervals to behavioral health
6 organizations and other organizations responsible for resource
7 management services. The department must summarize the information
8 and provide a report to the office of financial management and the
9 appropriate committees of the legislature on progress toward meeting
10 the fourteen day standard by December 1, 2018.

11 (m) \$140,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for the department and the University of
13 Washington to begin implementation the first phase of a collaborative
14 plan for a high-quality forensic teaching service. Indirect charges
15 for amounts contracted to the University of Washington must not
16 exceed ten percent. The department and the University of Washington
17 must research and pursue behavioral health workforce education grants
18 from federal or private foundations that could be used in support of
19 this project. By November 1, 2018, the department, in collaboration
20 with the University of Washington, must submit a report to the office
21 of financial management and the appropriate committees of the
22 legislature with a progress update, readiness to proceed to the
23 second phase of the project, a detailed cost analysis of the second
24 phase, and identification of any federal or private grants identified
25 and the status of those applications.

26 (n) \$12,190,000 of the general fund—state appropriation for
27 fiscal year 2019 is provided solely for the department to develop and
28 implement an acuity based staffing tool at western state hospital and
29 eastern state hospital in collaboration with the hospital staffing
30 committees. The staffing tool must be designed and implemented to
31 identify, on a daily basis, the clinical acuity on each patient ward
32 and determine the minimum level of direct care staff by profession to
33 be deployed to meet the needs of the patients on each ward. The
34 department must also continue to develop, in collaboration with the
35 office of financial management's labor relations office, the staffing
36 committees, and state labor unions, an overall state hospital
37 staffing plan which looks at all positions and functions of the
38 facilities and is informed by a review of the Oregon state hospital
39 staffing model. \$300,000 of the amounts in this subsection are
40 provided solely for and must be used for staff costs required to

1 establish, monitor, track, and report monthly staffing and
2 expenditures at the state hospitals, including overtime and use of
3 locums, to the functional categories identified in the recommended
4 staffing plan. The remainder of the funds must be used for direct
5 care staffing needed in order to implement the acuity based staffing
6 tool. The allotments and tracking of staffing and expenditures must
7 include all areas of the state hospitals, must be done at the ward
8 level, and must include contracted facilities providing forensic
9 restoration services as well as the office of forensic mental health
10 services. By September 1, 2018, the department and hospital staffing
11 committees must submit a report to the office of financial management
12 and the appropriate committees of the legislature that includes the
13 following: (a) Progress in implementing the acuity based staffing
14 tool; (b) a comparison of average daily staffing expenditures to
15 budgeted staffing levels and the recommended state hospital staffing
16 plan by function; and (c) metrics and facility performance for the
17 use of overtime and extra duty pay, patient length of stay, discharge
18 management, active treatment planning, medication administration,
19 patient and staff aggression, and staff recruitment and retention.
20 The department must use information gathered from implementation of
21 the clinical staffing tool and the hospital-wide staffing model to
22 inform and prioritize future budget requests for staffing at the
23 state hospitals. Beginning on January 1, 2019, the department must
24 submit calendar quarterly reports to the office of financial
25 management and the appropriate committees of the legislature which
26 includes monitoring of monthly spending and staffing levels compared
27 to allotments and to the recommended state hospital staffing model.
28 These reports must include an update from the hospital staffing
29 committees.

30 (o) \$250,000 of the general fund—state appropriation for fiscal
31 year 2019 is provided solely for the department, in collaboration
32 with the health care authority, to develop and implement a predictive
33 modeling tool which identifies clients who are at high risk of future
34 involvement with the criminal justice system and for developing a
35 model to estimate demand for civil and forensic state hospital bed
36 needs pursuant to the following requirements.

37 (i) The predictive modeling tool must be developed to leverage
38 data from a variety of sources and identify factors that are strongly
39 associated with future criminal justice involvement. By December 1,
40 2018, the department must submit a report to the office of financial

1 management and the appropriate committees of the legislature which
2 describes the following: (A) The proposed data sources to be used in
3 the predictive model and how privacy issues will be addressed; (B)
4 modeling results including a description of measurable factors most
5 strongly predictive of risk of future criminal justice involvement;
6 (C) an assessment of the accuracy, timeliness, and potential
7 effectiveness of the tool; (D) identification of interventions and
8 strategies that can be effective in reducing future criminal justice
9 involvement of high risk patients; and (E) the timeline for
10 implementing processes to provide monthly lists of high-risk client
11 to contracted managed care organizations and behavioral health
12 organizations.

13 (ii) The model for civil and forensic state hospital bed need
14 must be developed in consultation with staff from the office of
15 financial management and the appropriate fiscal committees of the
16 state legislature. The model shall incorporate factors for capacity
17 in state hospitals as well as contracted facilities which provide
18 similar levels of care, referral patterns, wait lists, lengths of
19 stay, and other factors identified as appropriate for predicting the
20 number of beds needed to meet the demand for civil and forensic state
21 hospital services. The department must submit a report to the office
22 of financial management and the appropriate committees of the
23 legislature by October 1, 2018, with a description of the model and
24 the estimated civil and forensic state hospital bed need through the
25 end of fiscal year 2021. The department must continue to update the
26 model on a calendar quarterly basis and provide updates to the office
27 of financial management and the appropriate committees of the
28 legislature accordingly.

29 (p) \$20,000 of the general fund—state appropriation for fiscal
30 year 2019 and \$8,000 of the general fund—federal appropriation are
31 provided solely to implement Substitute Senate Bill No. 6237
32 (personal needs allowance) or Substitute House Bill No. 2651
33 (personal needs allowance). If neither bill is enacted by June 30,
34 2018, the amounts provided in this subsection shall lapse.

35 (q) \$46,601,000 of the general fund—state appropriation for
36 fiscal year 2018 is provided solely for the department to pay fines,
37 plaintiff's attorney fees, and increased court monitor costs for
38 failing to meet court ordered timelines for competency restoration

1 and evaluations under *Trueblood v. Department of Social and Health*
2 *Services*.

3 (r) \$1,148,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for purposes of maintaining basic life-
5 and-safety equipment and structures in a manner that supports a safe
6 and compliant environment of care at the state hospitals. The
7 department must develop a budget structure that allows for
8 transparency in the management and monitoring of these expenditures
9 as well as related performance and outcomes. The department must
10 report to the office of financial management on expenditure levels
11 and outcomes achieved at the close of each fiscal year.

12 (3) SPECIAL PROJECTS

| | | |
|----|--|-------------------------------|
| 13 | General Fund—State Appropriation (FY 2018). | ((\$514,000)) |
| 14 | | <u>\$486,000</u> |
| 15 | ((General Fund—State Appropriation (FY 2019). | \$508,000)) |
| 16 | General Fund—Federal Appropriation. | ((\$25,852,000)) |
| 17 | | <u>\$3,148,000</u> |
| 18 | <u>Pension Funding Stabilization Account—State</u> | |
| 19 | <u>Appropriation.</u> | <u>\$28,000</u> |
| 20 | TOTAL APPROPRIATION. | ((\$26,874,000)) |
| 21 | | <u>\$3,662,000</u> |

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

24 ~~((a))~~ \$446,000 of the general fund—state appropriation for
25 fiscal year 2018~~((, ~~\$446,000~~ of the general fund—state appropriation~~
26 ~~for fiscal year 2019,))~~ and ~~((~~\$178,000~~))~~ \$89,000 of the general fund—
27 federal appropriation are provided solely for the University of
28 Washington's evidence-based practice institute which supports the
29 identification, evaluation, and implementation of evidence-based or
30 promising practices. The institute must work with the department to
31 develop a plan to seek private, federal, or other grant funding in
32 order to reduce the need for state general funds. The department must
33 collect information from the institute on the use of these funds and
34 submit a report to the office of financial management and the
35 appropriate fiscal committees of the legislature by December 1st of
36 each year of the biennium.

37 ~~((b) No more than \$19,557,000 of the general fund—federal~~
38 ~~appropriation may be expended for supported housing and employment~~
39 ~~services described in initiative 3a and 3b of the medicaid~~

1 ~~transformation demonstration waiver under healthier Washington. Under~~
 2 ~~this initiative, the department and the health care authority shall~~
 3 ~~ensure that allowable and necessary services are provided to eligible~~
 4 ~~clients as identified by the department or its providers or third~~
 5 ~~party administrator. The department and the authority in consultation~~
 6 ~~with the medicaid forecast work group, shall ensure that reasonable~~
 7 ~~reimbursements are established for services deemed necessary within~~
 8 ~~an identified limit per individual. The department shall not increase~~
 9 ~~general fund state expenditures under this initiative. The secretary~~
 10 ~~in collaboration with the director of the authority shall report to~~
 11 ~~the joint select committee on health care oversight no less than~~
 12 ~~quarterly on financial and health outcomes. The secretary in~~
 13 ~~cooperation with the director shall also report to the fiscal~~
 14 ~~committees of the legislature all of the expenditures of this~~
 15 ~~subsection and shall provide such fiscal data in the time, manner,~~
 16 ~~and form requested by the legislative fiscal committees.))~~

17 (4) PROGRAM SUPPORT

| | | |
|----|---|-------------------------------|
| 18 | General Fund—State Appropriation (FY 2018). | ((\$10,175,000)) |
| 19 | | <u>\$9,265,000</u> |
| 20 | General Fund—State Appropriation (FY 2019). | ((\$9,543,000)) |
| 21 | | <u>\$2,979,000</u> |
| 22 | General Fund—Federal Appropriation. | ((\$12,046,000)) |
| 23 | | <u>\$8,310,000</u> |
| 24 | General Fund—Private/Local Appropriation. | ((\$502,000)) |
| 25 | | <u>\$251,000</u> |
| 26 | <u>Pension Funding Stabilization Account—State</u> | |
| 27 | <u>Appropriation.</u> | <u>\$526,000</u> |
| 28 | TOTAL APPROPRIATION. | ((\$32,266,000)) |
| 29 | | <u>\$21,331,000</u> |

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

- 32 (a) The department must complete an update of the state quality
 33 strategy required under federal managed care regulations and submit
 34 to the center for medicaid and medicare services by October 1, 2017.
 35 The department must provide a report to the office of financial
 36 management and the appropriate committees of the legislature by
 37 December 1, 2017, which includes the following: (i) A copy of the
 38 quality strategy submitted to the center for medicaid and medicare
 39 services; (ii) identification of all performance measures that are

1 currently being measured for behavioral health organizations, and
2 managed care organizations and the variations in performance among
3 these entities; (iii) identification of any performance measures that
4 are included in behavioral health organization and managed care
5 organization 2018 contracts and whether these measures are connected
6 to payment; and (iv) identification of any performance measures
7 planned for incorporation of behavioral health organization and
8 managed care organization 2019 contracts and whether these measures
9 will be connected to payment during that contract period.

10 (b) \$62,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$41,000 of the general fund—federal appropriation are
12 provided solely for the implementation of chapter 207, Laws of 2017
13 (E2SHB 1819) (children's mental health).

14 (c) In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035,
15 the department is authorized to adopt license and certification fees
16 in fiscal year(~~s~~) 2018 (~~and 2019~~) to support the costs of the
17 regulatory program. The department's fee schedule shall have
18 differential rates for providers with proof of accreditation from
19 organizations that the department has determined to have
20 substantially equivalent standards to those of the department,
21 including but not limited to the joint commission on accreditation of
22 health care organizations, the commission on accreditation of
23 rehabilitation facilities, and the council on accreditation. To
24 reflect the reduced costs associated with regulation of accredited
25 programs, the department's fees for organizations with such proof of
26 accreditation must reflect the lower costs of licensing for these
27 programs than for other organizations which are not accredited.

28 *Sec. 205. 2017 3rd sp.s. c 1 s 205 (uncodified) is amended to
29 read as follows:

30 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—DEVELOPMENTAL**
31 **DISABILITIES PROGRAM**

32 (1) COMMUNITY SERVICES

| | |
|--|----------------------------------|
| 33 General Fund—State Appropriation (FY 2018). | ((\$612,748,000)) |
| 34 | <u>\$601,589,000</u> |
| 35 General Fund—State Appropriation (FY 2019). | ((\$662,252,000)) |
| 36 | <u>\$663,644,000</u> |
| 37 General Fund—Federal Appropriation. | ((\$1,301,629,000)) |
| 38 | <u>\$1,302,369,000</u> |

| | | |
|---|--|----------------------------------|
| 1 | General Fund—Private/Local Appropriation. | ((\$534,000)) |
| 2 | | <u>\$2,407,000</u> |
| 3 | <u>Pension Funding Stabilization Account—State</u> | |
| 4 | <u>Appropriation.</u> | \$6,872,000 |
| 5 | TOTAL APPROPRIATION. | ((\$2,577,163,000)) |
| 6 | | <u>\$2,576,881,000</u> |

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

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

13 (b) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and
14 43.135.055, the department is authorized to increase nursing
15 facility, assisted living facility, and adult family home fees as
16 necessary to fully support the actual costs of conducting the
17 licensure, inspection, and regulatory programs. The license fees may
18 not exceed the department's annual licensing and oversight activity
19 costs and shall include the department's cost of paying providers for
20 the amount of the license fee attributed to medicaid clients.

21 (i) The current annual renewal license fee for adult family homes
22 shall be \$225 per bed beginning in fiscal year 2018 and \$225 per bed
23 beginning in fiscal year 2019. A processing fee of \$2,750 shall be
24 charged to each adult family home when the home is initially
25 licensed. This fee is nonrefundable. A processing fee of \$700 shall
26 be charged when adult family home providers file a change of
27 ownership application.

28 (ii) The current annual renewal license fee for assisted living
29 facilities shall be \$106 per bed beginning in fiscal year 2018 and
30 ((~~\$106~~)) \$116 per bed beginning in fiscal year 2019.

31 (iii) The current annual renewal license fee for nursing
32 facilities shall be \$359 per bed beginning in fiscal year 2018 and
33 \$359 per bed beginning in fiscal year 2019.

34 (c) \$7,142,000 of the general fund—state appropriation for fiscal
35 year 2018, \$18,249,000 of the general fund—state appropriation for
36 fiscal year 2019, and \$27,336,000 of the general fund—federal
37 appropriation are provided solely for the implementation of the
38 agreement reached between the governor and the service employees
39 international union healthcare 775nw under the provisions of chapters

1 74.39A and 41.56 RCW for the 2017-2019 fiscal biennium. Funding is
2 contingent upon the enactment of Senate Bill No. 5969 (transparency
3 in public employee collective bargaining). If the bill is not enacted
4 by July 31, 2017, the appropriation in this subsection shall lapse.

5 (d) \$787,000 of the general fund—state appropriation for fiscal
6 year 2018, \$2,183,000 of the general fund—state appropriation for
7 fiscal year 2019, and \$3,714,000 of the general fund—federal
8 appropriation are provided solely for the homecare agency parity
9 impacts of the agreement between the governor and the service
10 employees international union healthcare 775nw. Funding is contingent
11 upon the enactment of Senate Bill No. 5969 (transparency in public
12 employee collective bargaining). If the bill is not enacted by July
13 31, 2017, the appropriation in this subsection shall lapse.

14 (e) The department may authorize a one-time waiver of all or any
15 portion of the licensing and processing fees required under RCW
16 70.128.060 in any case in which the department determines that an
17 adult family home is being relicensed because of exceptional
18 circumstances, such as death or incapacity of a provider, and that to
19 require the full payment of the licensing and processing fees would
20 present a hardship to the applicant. In these situations the
21 department is also granted the authority to waive the required
22 residential administrator training for a period of 120 days if
23 necessary to ensure continuity of care during the relicensing
24 process.

25 (f) Community residential cost reports that are submitted by or
26 on behalf of contracted agency providers are required to include
27 information about agency staffing including health insurance, wages,
28 number of positions, and turnover.

29 (g) \$650,000 of the general fund—state appropriation for fiscal
30 year 2018, \$650,000 of the general fund—state appropriation for
31 fiscal year 2019, and \$800,000 of the general fund—federal
32 appropriation are provided solely for the development and
33 implementation of eight enhanced respite beds across the state for
34 children. These services are intended to provide families and
35 caregivers with a break in caregiving, the opportunity for behavioral
36 stabilization of the child, and the ability to partner with the state
37 in the development of an individualized service plan that allows the
38 child to remain in his or her family home. The department must
39 provide the legislature with a respite utilization report in January

1 of each year that provides information about the number of children
2 who have used enhanced respite in the preceding year, as well as the
3 location and number of days per month that each respite bed was
4 occupied.

5 (h) \$900,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$900,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely for the development and
8 implementation of eight community respite beds across the state for
9 adults. These services are intended to provide families and
10 caregivers with a break in caregiving and the opportunity for
11 stabilization of the individual in a community-based setting as an
12 alternative to using a residential habilitation center to provide
13 planned or emergent respite. The department must provide the
14 legislature with a respite utilization report by January of each year
15 that provides information about the number of individuals who have
16 used community respite in the preceding year, as well as the location
17 and number of days per month that each respite bed was occupied.

18 (i) \$100,000 of the general fund—state appropriation for fiscal
19 year 2018, \$95,000 of the general fund—state appropriation for fiscal
20 year 2019, and \$195,000 of the general fund—federal appropriation are
21 provided solely for discharge case managers stationed at the state
22 psychiatric hospitals. Discharge case managers will transition
23 clients ready for hospital discharge into less restrictive
24 alternative community placements. The transition of clients ready for
25 discharge will free up bed capacity at the state psychiatric
26 hospitals.

27 (j) \$1,239,000 of the general fund—state appropriation for fiscal
28 year 2018, \$2,055,000 of the general fund—state appropriation for
29 fiscal year 2019, and \$3,218,000 of the general fund—federal
30 appropriation are provided solely to create new community alternative
31 placement beds that prioritize the transition of clients who are
32 ready for discharge from the state psychiatric hospitals, but who
33 have additional long-term care or developmental disability needs.

34 (i) Community alternative placement beds include enhanced service
35 facility beds, adult family home beds, skilled nursing facility beds,
36 shared supportive housing beds, state operated living alternative
37 beds, and assisted living facility beds.

38 (ii) Each client must receive an individualized assessment prior
39 to leaving one of the state psychiatric hospitals. The individualized

1 assessment must identify and authorize personal care, nursing care,
2 behavioral health stabilization, physical therapy, or other necessary
3 services to meet the unique needs of each client. It is the
4 expectation that, in most cases, staffing ratios in all community
5 alternative placement options described in (j)(i) of this subsection
6 will need to increase to meet the needs of clients leaving the state
7 psychiatric hospitals. If specialized training is necessary to meet
8 the needs of a client before he or she enters a community placement,
9 then the person centered service plan must also identify and
10 authorize this training.

11 (iii) When reviewing placement options, the department must
12 consider the safety of other residents, as well as the safety of
13 staff, in a facility. An initial evaluation of each placement,
14 including any documented safety concerns, must occur within thirty
15 days of a client leaving one of the state psychiatric hospitals and
16 entering one of the community placement options described in (j)(i)
17 of this subsection. At a minimum, the department must perform two
18 additional evaluations of each placement during the first year that a
19 client has lived in the facility.

20 (iv) During fiscal year 2018, in a presentation to the select
21 committee on quality improvement in state hospitals, the department
22 must describe the process of fielding and subsequently investigating
23 complaints of abuse, neglect, and exploitation within the community
24 alternative placement options described in (j)(i) of this subsection.
25 At a minimum, the presentation must include data about the number of
26 complaints, and the nature of complaints, over the preceding five
27 fiscal years.

28 (v) During fiscal year 2019, in a presentation to the select
29 committee on quality improvement in state hospitals, the department
30 must provide an update about clients placed out of the state
31 psychiatric hospitals into the community alternative placement
32 options described in (j)(i) of this subsection. At a minimum, for
33 each setting, the presentation must include data about the number of
34 placements, average daily rate, complaints fielded, and complaints
35 investigated. The presentation must also include information about
36 modifications, including the placement of clients into alternate
37 settings, that occurred due to the evaluations required under
38 (j)(iii) of this subsection.

1 In developing bed capacity, the department shall consider the
2 complex needs of individuals waiting for discharge from the state
3 psychiatric hospitals.

4 (k) \$738,000 of the general fund—state appropriation for fiscal
5 year 2018, \$1,963,000 of the general fund—state appropriation for
6 fiscal year 2019, and \$2,701,000 of the general fund—federal
7 appropriation are provided solely for expanding the number of clients
8 receiving services under the basic plus medicaid waiver.
9 Approximately six hundred additional clients are anticipated to
10 graduate from high school during the 2017-2019 fiscal biennium and
11 will receive employment services under this expansion.

12 (l) \$14,127,000 of the general fund—state appropriation for
13 fiscal year 2018, \$25,428,000 of the general fund—state appropriation
14 for fiscal year 2019, and \$39,554,000 of the general fund—federal
15 appropriation are provided solely to increase the benchmark rate for
16 community residential service providers offering supported living,
17 group home, and licensed staff residential services to individuals
18 with development disabilities. The amounts in this subsection (1)(l)
19 include funding to increase the benchmark rate by the following
20 amounts:

21 (i) \$1.25 per hour effective July 1, 2017, and;

22 (ii) An additional \$1.00 per hour effective July 1, 2018.

23 The amounts provided in this subsection must be used to improve
24 the recruitment and retention of quality direct care staff to better
25 protect the health and safety of clients with developmental
26 disabilities.

27 (m) Respite personal care provided by individual providers to
28 developmental disabilities administration clients, as authorized by
29 the department and accessed by clients through a medicaid waiver,
30 must be funded in maintenance level of the operating budget on the
31 basis of actual and forecasted client utilization.

32 (n) \$4,000 of the general fund—state appropriation for fiscal
33 year 2018, \$11,000 of the general fund—state appropriation for fiscal
34 year 2019, and \$13,000 of the general fund—federal appropriation are
35 provided solely to implement chapter 270, Laws of 2017 (SB 5118)
36 (personal needs allowance).

37 (o) \$1,716,000 of the general fund—state appropriation for fiscal
38 year 2018, \$3,493,000 of the general fund—state appropriation for
39 fiscal year 2019, and \$4,267,000 of the general fund—federal

1 appropriation are provided solely for a targeted vendor rate increase
2 to contracted client service providers.

3 (i) Within the amounts provided in this subsection, \$1,674,000 of
4 the general fund—state appropriation for fiscal year 2018, \$3,424,000
5 of the general fund—state appropriation for fiscal year 2019, and
6 \$4,126,000 of the general fund—federal appropriation are provided
7 solely for a vendor rate increase of two percent in fiscal year 2018
8 and an additional two percent in fiscal year 2019 for all contracted
9 vendors with the exception of nursing home providers, the program of
10 all-inclusive care for the elderly, nurse delegators, community
11 residential service providers, individual providers, agency
12 providers, and adult family homes.

13 (ii) Within the amounts provided in this subsection, \$42,000 of
14 the general fund—state appropriation for fiscal year 2018, \$69,000 of
15 the general fund—state appropriation for fiscal year 2019, and
16 \$141,000 of the general fund—federal appropriation are provided
17 solely to increase vendor rates for adult residential care and
18 enhanced adult residential care in the 2017-2019 fiscal biennium up
19 to the statewide minimum wage established in Initiative Measure No.
20 1433.

21 (p) \$51,000 of the general fund—state appropriation for fiscal
22 year 2018, \$51,000 of the general fund—state appropriation for fiscal
23 year 2019, and \$102,000 of the general fund—federal appropriation are
24 provided solely to increase the daily rate for private duty nursing
25 in adult family homes by \$63.77.

26 (q) \$371,000 of the general fund—state appropriation for fiscal
27 year 2018, \$445,000 of the general fund—state appropriation for
28 fiscal year 2019, and \$1,069,000 of the general fund—federal
29 appropriation are provided solely for increasing the hourly rate for
30 nurse delegators from \$32.96 to \$45.32 effective September 1, 2017.

31 (r) \$212,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$269,000 of the general fund—federal appropriation are
33 provided solely to implement Senate Bill No. . . . (S-2907.2). If the
34 bill is not enacted by July 31, 2017, the amounts provided in this
35 subsection shall lapse.

36 (s) \$2,199,000 of the general fund—state appropriation for fiscal
37 year 2018, \$2,878,000 of the general fund—state appropriation for
38 fiscal year 2019, and \$6,388,000 of the general fund—federal
39 appropriation are provided solely for the implementation of an

1 agreement reached between the governor and the adult family home
2 council under the provisions of chapter 41.56 RCW for the 2017-2019
3 fiscal biennium. Funding is contingent upon the enactment of Senate
4 Bill No. 5969 (transparency in public employee collective
5 bargaining). If the bill is not enacted by July 31, 2017, the amounts
6 provided in this subsection shall lapse.

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

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

16 (v) \$623,000 of the general fund—state appropriation for fiscal
17 year 2019 and \$623,000 of the general fund—federal appropriation are
18 provided solely to hold community residential service provider rates
19 harmless for instruction and support services and administration, to
20 the extent possible within amounts appropriated in this subsection,
21 if the tiered rate methodology is implemented effective January 1,
22 2019.

23 (w) \$1,873,000 of the general fund—private/local appropriation
24 and \$1,874,000 of the general fund—federal appropriation are provided
25 solely to implement Substitute House Bill No. 1792 (residential
26 services and supports). The annual certification renewal fee for
27 community residential service businesses shall be \$908 per client.
28 The annual certification renewal fee may not exceed the department's
29 annual licensing and oversight activity costs. If the bill is not
30 enacted by June 30, 2018, the amounts provided in this subsection
31 shall lapse.

32 (x) \$21,000 of the general fund—state appropriation for fiscal
33 year 2019 and \$26,000 of the general fund—federal appropriation are
34 provided solely to implement Substitute House Bill No. 2651 (personal
35 needs allowance). If the bill is not enacted by June 30, 2018, the
36 amounts provided in this subsection shall lapse.

37 (y) \$34,000 of the general fund—state appropriation for fiscal
38 year 2018, \$293,000 of the general fund—state appropriation for
39 fiscal year 2019, and \$480,000 of the general fund—federal

1 appropriation are provided solely to implement Engrossed Substitute
2 Senate Bill No. 6199 (consumer directed employer organizations). If
3 the bill is not enacted by June 30, 2018, the amounts provided in
4 this subsection shall lapse.

5 (z) The department of social and health services developmental
6 disabilities administration shall participate in the development of
7 an implementation plan to build statewide capacity among school
8 districts to improve transition planning for students in special
9 education who meet criteria for services from the developmental
10 disabilities administration, pursuant to section 501(57) of this act.

11 (aa) \$290,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for the enhancement of existing parent-
13 to-parent programs that serve parents of children with a
14 developmental disability and the establishment of new programs in
15 Okanogan county and Whitman county.

16 (2) INSTITUTIONAL SERVICES

| | | |
|----|---|--------------------------------|
| 17 | General Fund—State Appropriation (FY 2018). | ((\$104,159,000)) |
| 18 | | <u>\$99,622,000</u> |
| 19 | General Fund—State Appropriation (FY 2019). | ((\$106,818,000)) |
| 20 | | <u>\$105,704,000</u> |
| 21 | General Fund—Federal Appropriation. | ((\$195,757,000)) |
| 22 | | <u>\$202,562,000</u> |
| 23 | General Fund—Private/Local Appropriation. | ((\$25,041,000)) |
| 24 | | <u>\$27,041,000</u> |
| 25 | <u>Pension Funding Stabilization Account—State</u> | |
| 26 | <u>Appropriation.</u> | <u>\$12,441,000</u> |
| 27 | TOTAL APPROPRIATION. | ((\$431,775,000)) |
| 28 | | <u>\$447,370,000</u> |

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

31 (a) Individuals receiving services as supplemental security
32 income (SSI) state supplemental payments shall not become eligible
33 for medical assistance under RCW 74.09.510 due solely to the receipt
34 of SSI state supplemental payments.

35 (b) \$495,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$495,000 of the general fund—state appropriation for
37 fiscal year 2019 are for the department to fulfill its contracts with
38 the school districts under chapter 28A.190 RCW to provide
39 transportation, building space, and other support services as are

1 reasonably necessary to support the educational programs of students
2 living in residential habilitation centers.

3 (c) \$2,978,000 of the general fund—state appropriation for fiscal
4 year 2018, \$2,978,000 of the general fund—state appropriation for
5 fiscal year 2019, and \$5,956,000 of the general fund—federal
6 appropriation are for additional staff to ensure compliance with
7 centers for medicare and medicaid services requirements for
8 habilitation, nursing care, staff safety, and client safety at the
9 residential habilitation centers.

10 (d) The residential habilitation centers may use funds
11 appropriated in this subsection to purchase goods ((and)), supplies,
12 and services through hospital group purchasing organizations when it
13 is cost-effective to do so.

14 (e) \$2,000 of the general fund—state appropriation for fiscal
15 year 2018, \$5,000 of the general fund—state appropriation for fiscal
16 year 2019, and \$5,000 of the general fund—federal appropriation are
17 provided solely to implement chapter 270, Laws of 2017 (SB 5118)
18 (personal needs allowance).

19 (f) \$325,000 of the general fund—state appropriation for fiscal
20 year 2019 and \$325,000 of the general fund—federal appropriation are
21 provided solely for purposes of maintaining basic life-and-safety
22 equipment and structures in a manner that supports a safe and
23 compliant environment of care at the residential habilitation
24 centers. The department is to develop a budget structure that allows
25 for transparency in the management and monitoring of these
26 expenditures as well as related performance and outcomes. The
27 department is to report to the office of financial management on
28 expenditure levels and outcomes achieved at the close of each fiscal
29 year.

30 (g) \$2,288,000 of the general fund—state appropriation for fiscal
31 year 2018, \$5,496,000 of the general fund—state appropriation for
32 fiscal year 2019, and \$7,784,000 of the general fund—federal
33 appropriation are provided solely for additional staffing resources
34 to provide direct care to clients living in the intermediate care
35 facilities at Rainier school, Fircrest school, and Lakeland village
36 to address deficiencies identified by the centers for medicare and
37 medicaid services, and to gather information for the 2019 legislative
38 session that will support appropriate levels of care for residential
39 habilitation center clients.

1 (i) The department of social and health services must contract
2 with the William D. Ruckelshaus center or other neutral party to
3 facilitate meetings and discussions about how to support appropriate
4 levels of care for residential habilitation clients based on the
5 clients' needs and ages. The options explored in the meetings and
6 discussions must include, but are not limited to, conversion of
7 cottages from certification as an intermediate care facility to
8 certification and licensure as a skilled nursing facility, developing
9 a state operated nursing facility for eligible clients, and placement
10 of additional clients from the residential habilitation centers into
11 state operated living alternatives. An agreed-upon preferred vision
12 must be included within a report to the office of financial
13 management and appropriate fiscal and policy committees of the
14 legislature before December 1, 2018. The report must describe the
15 policy rationale, implementation plan, timeline, and recommended
16 statutory changes for the preferred vision.

17 The parties invited to participate in the meetings and discussion
18 must include:

19 (A) One member from each of the two largest caucuses in the
20 senate, who shall be appointed by the majority leader and minority
21 leader of the senate;

22 (B) One member from each of the two largest caucuses in the house
23 of representatives, who shall be appointed by the speaker and
24 minority leader of the house of representatives;

25 (C) One member from the office of the governor, appointed by the
26 governor;

27 (D) One member from the developmental disabilities council;

28 (E) One member from the ARC of Washington;

29 (F) One member from the Washington federation of state employees;

30 (G) One member from the service employee international union
31 1199;

32 (H) One member from the developmental disabilities administration
33 within the department of social and health services;

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

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

39 (ii) Before November 1, 2018, the department of social and health
40 services must submit a report to the office of financial management

1 and the appropriate fiscal and policy committees of the legislature
2 that includes the following information: All information provided for
3 subsections A through D below must be provided so as to clearly
4 identify data that represents the intermediate care facility versus
5 the skilled nursing facility components of the residential
6 habilitation centers.

7 (A) The current number of clients living in the residential
8 habilitation centers from the most recent month of available data.
9 The information must be provided by month for each cottage on each
10 campus, and must distinguish between long-term and short-term
11 admissions.

12 (B) The average age of clients living in the residential
13 habilitation centers from fiscal year 2013 through fiscal year 2018.
14 The information must be provided by month for each cottage on each
15 campus.

16 (C) The number of staff, segmented by the type of position, at
17 the residential habilitation centers from fiscal year 2013 through
18 fiscal year 2018. The information must be provided by month for each
19 cottage on each campus. Any staff that are not directly associated
20 with a cottage must be provided separately for each campus.

21 (D) Ratios of staff to clients at the residential habilitation
22 centers from fiscal year 2013 through fiscal year 2018. The ratios
23 must include, but are not limited to, the number of direct care staff
24 per client and the number of indirect care staff per client. The
25 ratio of direct care staff per client must be provided by month for
26 each cottage on each campus. The ratio of indirect care staff per
27 client must be provided by month for each campus.

28 (E) The number of individuals with a developmental disability
29 residing long term at the state psychiatric hospitals from fiscal
30 year 2013 through fiscal year 2018. The information must be provided
31 by month for each of the state psychiatric hospitals.

32 (F) The average age of individuals with a developmental
33 disability residing long term at the state psychiatric hospitals from
34 fiscal year 2013 through fiscal year 2018. The information must be
35 provided by month for each of the state psychiatric hospitals.

36 (G) The following information pertinent to the goal of
37 transitioning from the use of intermediate care facilities on
38 residential habilitation center campuses to skilled nursing
39 facilities, when appropriate to individual client needs and
40 preferences, no later than January 1, 2021:

1 (I) An analysis of existing facilities that might serve as
2 skilled nursing facilities, including options on residential
3 habilitation center campuses and options off campus that might be
4 purchased, rented, or leased by the state. The report must display
5 location, closure date if applicable, and total bed capacity for each
6 facility.

7 (II) The number of clients living in intermediate care facility
8 cottages at the residential habilitation centers who meet the
9 functional criteria for nursing facility level of care as determined
10 by assessments conducted by the department.

11 (III) The number of clients living in intermediate care facility
12 cottages at the residential habilitation centers whom, directly or
13 through their legal guardian, express interest in or willingness to
14 live in a skilled nursing facility in interviews and assessments
15 conducted by the department.

16 (IV) A description of the process and a feasibility analysis for
17 the transition of a cottage or multiple cottages at a residential
18 habilitation center from certification as an intermediate care
19 facility to certification and licensure as a skilled nursing facility
20 no later than January 1, 2021. This section of the report must
21 include, but is not limited to, a description of the role for the
22 department of health, department of social and health services, and
23 the centers for medicare and medicaid services.

24 (V) The estimated capital investment needed to transition a
25 cottage, or multiple cottages, at a residential habilitation center
26 from certification as an intermediate care facility to certification
27 and licensure as a skilled nursing facility no later than January 1,
28 2021.

29 (H) Options for the alternate use of buildings, vacant or
30 occupied, at Fircrest, Rainier, Yakima valley, or Lakeland village.
31 The suggestions must include but are not limited to expanding
32 capacity for nursing care, dental care, and other specialty services
33 for individuals with developmental or intellectual disabilities.

34 (I) Options for transferring the ownership of charitable,
35 educational, penal, and reform institutions land on the Fircrest
36 campus from the department of natural resources to the department of
37 social and health services.

38 (I) Purchase of the charitable, educational, penal, and reform
39 institutions land on the Fircrest campus by the department of social
40 and health services. This option must include but is not limited to

1 the most recent appraisal of the value of charitable, educational,
2 penal, and reform institutions land on the Fircrest campus.

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

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

8 (J) Options for the additional use of state operated living
9 alternative placements to assist clients with the transition from an
10 institutional setting to a community setting. The report must
11 identify the number of clients who could transition into state
12 operated living alternative placements, and the length of time
13 necessary to transition clients into the additional placements.

14 (K) Options for establishing additional crisis stabilization
15 services at the residential habilitation centers. The report must
16 identify the operating costs, capital costs, timeline, and desired
17 location associated with the additional capacity.

18 (L) Options for transferring individuals who have been residing
19 long term at the state psychiatric hospitals into an alternative
20 location, or multiple locations. One of the options must explore the
21 possibility of transferring these individuals to the residential
22 habilitation centers. For any option that is explored, the report
23 must identify the operating costs, capital costs, timeline, and
24 desired location associated with the additional capacity.

25 (M) The expenditures for overtime, prescription drugs, controlled
26 substances, medical supplies, janitorial supplies, household
27 supplies, maintenance supplies, and office supplies at the
28 residential habilitation centers from fiscal year 2013 through fiscal
29 year 2018. The information must be provided by month for each campus.
30 The department must also provide the strategy, or strategies, that
31 are being implemented to decrease expenditures for overtime,
32 prescription drugs, controlled substances, medical supplies,
33 janitorial supplies, household supplies, maintenance supplies, and
34 office supplies at the residential habilitation centers.

35 (h) \$23,000 of the general fund—state appropriation for fiscal
36 year 2019 and \$23,000 of the general fund—federal appropriation are
37 provided solely to implement Substitute House Bill No. 2651 (personal
38 needs allowance). If the bill is not enacted by June 30, 2018, the
39 amounts provided in this subsection shall lapse.

| | | |
|---|---|----------------------------------|
| 1 | General Fund—Private/Local Appropriation. | ((\$33,572,000)) |
| 2 | | <u>\$35,766,000</u> |
| 3 | Traumatic Brain Injury Account—State Appropriation. . . . | \$4,540,000 |
| 4 | Skilled Nursing Facility Safety Net Trust Account— | |
| 5 | State Appropriation. | \$133,360,000 |
| 6 | <u>Pension Funding Stabilization Account—State</u> | |
| 7 | <u>Appropriation.</u> | <u>\$13,165,000</u> |
| 8 | TOTAL APPROPRIATION. | ((\$5,306,405,000)) |
| 9 | | <u>\$5,317,314,000</u> |

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

12 (1)(a) For purposes of implementing chapter 74.46 RCW, the
13 weighted average nursing facility payment rate shall not exceed
14 ((~~\$201.39~~)) \$200.47 for fiscal year 2018 and shall not exceed
15 ((~~\$209.35~~)) \$216.64 for fiscal year 2019.

16 (b) The department shall provide a medicaid rate add-on to
17 reimburse the medicaid share of the skilled nursing facility safety
18 net assessment as a medicaid allowable cost. The nursing facility
19 safety net rate add-on may not be included in the calculation of the
20 annual statewide weighted average nursing facility payment rate.

21 (2) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and
22 43.135.055, the department is authorized to increase nursing
23 facility, assisted living facility, and adult family home fees as
24 necessary to fully support the actual costs of conducting the
25 licensure, inspection, and regulatory programs. The license fees may
26 not exceed the department's annual licensing and oversight activity
27 costs and shall include the department's cost of paying providers for
28 the amount of the license fee attributed to medicaid clients.

29 (a) The current annual renewal license fee for adult family homes
30 shall be \$225 per bed beginning in fiscal year 2018 and \$225 per bed
31 beginning in fiscal year 2019. A processing fee of \$2,750 shall be
32 charged to each adult family home when the home is initially
33 licensed. This fee is nonrefundable. A processing fee of \$700 shall
34 be charged when adult family home providers file a change of
35 ownership application.

36 (b) The current annual renewal license fee for assisted living
37 facilities shall be \$106 per bed beginning in fiscal year 2018 and
38 ((~~\$106~~)) \$116 per bed beginning in fiscal year 2019.

1 (c) The current annual renewal license fee for nursing facilities
2 shall be \$359 per bed beginning in fiscal year 2018 and \$359 per bed
3 beginning in fiscal year 2019.

4 (3) The department is authorized to place long-term care clients
5 residing in nursing homes and paid for with state only funds into
6 less restrictive community care settings while continuing to meet the
7 client's care needs.

8 (4) \$1,858,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$1,857,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for operation of the volunteer
11 services program. Funding shall be prioritized towards serving
12 populations traditionally served by long-term care services to
13 include senior citizens and persons with disabilities.

14 (5) \$14,674,000 of the general fund—state appropriation for
15 fiscal year 2018, \$37,239,000 of the general fund—state appropriation
16 for fiscal year 2019, and \$55,716,000 of the general fund—federal
17 appropriation are provided solely for the implementation of the
18 agreement reached between the governor and the service employees
19 international union healthcare 775nw under the provisions of chapters
20 74.39A and 41.56 RCW for the 2017-2019 fiscal biennium. Funding is
21 contingent upon the enactment of Senate Bill No. 5969 (transparency
22 in public employee collective bargaining). If the bill is not enacted
23 by July 31, 2017, the appropriation in this subsection shall lapse.

24 (6) \$4,833,000 of the general fund—state appropriation for fiscal
25 year 2018, \$13,413,000 of the general fund—state appropriation for
26 fiscal year 2019, and \$22,812,000 of the general fund—federal
27 appropriation are provided solely for the homecare agency parity
28 impacts of the agreement between the governor and the service
29 employees international union healthcare 775nw. Funding is contingent
30 upon the enactment of Senate Bill No. 5969 (transparency in public
31 employee collective bargaining). If the bill is not enacted by July
32 31, 2017, the appropriation in this subsection shall lapse.

33 (7) \$5,094,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$5,094,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely for services and support to
36 individuals who are deaf, hard of hearing, or deaf-blind.

37 (8) The department may authorize a one-time waiver of all or any
38 portion of the licensing and processing fees required under RCW
39 70.128.060 in any case in which the department determines that an

1 adult family home is being relicensed because of exceptional
2 circumstances, such as death or incapacity of a provider, and that to
3 require the full payment of the licensing and processing fees would
4 present a hardship to the applicant. In these situations the
5 department is also granted the authority to waive the required
6 residential administrator training for a period of 120 days if
7 necessary to ensure continuity of care during the relicensing
8 process.

9 (9) In accordance with RCW 18.390.030, the biennial registration
10 fee for continuing care retirement communities shall be \$1,889 for
11 each facility.

12 (10) \$234,000 of the general fund—state appropriation for fiscal
13 year 2018 and (~~(\$234,000)~~) \$479,000 of the general fund—state
14 appropriation for fiscal year 2019 are provided solely for the
15 kinship navigator program in the Colville Indian reservation, Yakama
16 Nation, and other tribal areas.

17 (11) \$42,000 of the general fund—state appropriation for fiscal
18 year 2018, \$127,000 of the general fund—state appropriation for
19 fiscal year 2019, and \$169,000 of the general fund—federal
20 appropriation are provided solely to implement chapter 270, Laws of
21 2017 (SB 5118) (personal needs allowance).

22 (12) Within available funds, the aging and long term support
23 administration must maintain a unit within adult protective services
24 that specializes in the investigation of financial abuse allegations
25 and self-neglect allegations.

26 (13) Within amounts appropriated in this subsection, the
27 department shall assist the legislature to continue the work of the
28 joint legislative executive committee on planning for aging and
29 disability issues.

30 (a) A joint legislative executive committee on aging and
31 disability is continued, with members as provided in this subsection.

32 (i) Four members of the senate, with the leaders of the two
33 largest caucuses each appointing two members, and four members of the
34 house of representatives, with the leaders of the two largest
35 caucuses each appointing two members;

36 (ii) A member from the office of the governor, appointed by the
37 governor;

38 (iii) The secretary of the department of social and health
39 services or his or her designee;

1 (iv) The director of the health care authority or his or her
2 designee;

3 (v) A member from disability rights Washington and a member from
4 the office of long-term care ombuds;

5 (vi) The insurance commissioner or his or her designee, who shall
6 serve as an ex officio member; and

7 (vii) Other agency directors or designees as necessary.

8 (b) The committee must make recommendations and continue to
9 identify key strategic actions to prepare for the aging of the
10 population in Washington, including state budget and policy options,
11 by conducting at least, but not limited to, the following tasks:

12 (i) Identify strategies to better serve the health care needs of
13 an aging population and people with disabilities to promote healthy
14 living and palliative care planning;

15 (ii) Identify strategies and policy options to create financing
16 mechanisms for long-term service and supports that allow individuals
17 and families to meet their needs for service;

18 (iii) Identify policies to promote financial security in
19 retirement, support people who wish to stay in the workplace longer,
20 and expand the availability of workplace retirement savings plans;

21 (iv) Identify ways to promote advance planning and advance care
22 directives and implementation strategies for the Bree collaborative
23 palliative care and related guidelines;

24 (v) Identify ways to meet the needs of the aging demographic
25 impacted by reduced federal support;

26 (vi) Identify ways to protect the rights of vulnerable adults
27 through assisted decision-making and guardianship and other relevant
28 vulnerable adult protections;

29 (vii) Identify options for promoting client safety through
30 residential care services and consider methods of protecting older
31 people and people with disabilities from physical abuse and financial
32 exploitation;

33 (viii) Identify other policy options and recommendations to help
34 communities adapt to the aging demographic in planning for housing,
35 land use, and transportation; and

36 (ix) Identify ways to support individuals with developmental
37 disabilities with long-term care needs who are enrolled members of a
38 federally recognized Indian tribe, or residing in the household of an
39 enrolled members of a federally recognized Indian tribe, and are
40 receiving care from a family member.

1 (c) At least one committee meeting must be devoted to the
2 exploration of legislation that would allow family members to provide
3 personal care services to persons with developmental disabilities or
4 long-term care needs under a voluntary consumer-directed medicaid
5 service program. During the meeting, the committee should hear
6 testimony from as many impacted parties as possible, including
7 clients, providers, advocacy groups, and staff from state agencies.
8 Testimony should explore program design, program oversight, necessary
9 statutory changes, barriers to implementation, fiscal estimates, and
10 timeline for implementation.

11 (d) Staff support for the committee shall be provided by the
12 office of program research, senate committee services, the office of
13 financial management, and the department of social and health
14 services.

15 (e) Within existing appropriations, the cost of meetings must be
16 paid jointly by the senate, house of representatives, and the office
17 of financial management. Joint committee expenditures are subject to
18 approval by the senate facilities and operations committee and the
19 house of representatives executive rules committee, or their
20 successor committees. The joint committee members may be reimbursed
21 for travel expenses as authorized under RCW 43.03.050 and 43.03.060,
22 and chapter 44.04 RCW as appropriate. Advisory committee members may
23 not receive compensation or reimbursement for travel and expenses.

24 (14)(a) The department of social and health services must
25 facilitate a stakeholder work group consisting of assisted living
26 provider associations and the state long-term care ombuds in a
27 collaborative effort to redesign the medicaid payment methodology for
28 contracted assisted living, adult residential care, and enhanced
29 adult residential care. The department must submit a report with the
30 final work group recommendations to the appropriate legislative
31 committees by November 30, 2017. A proposed timeline for
32 implementation of the new methodology must be included in the report.
33 The new methodology must:

34 (i) Adhere to the standards of an acuity-based payment system as
35 originally intended by the legislature, and the department will rely
36 on the time study conducted in 2003 in establishing the acuity scale;

37 (ii) Create a standardized methodology that supports a reasonable
38 medicaid payment that promotes access, choice, and quality;

1 (iii) Incorporate metrics such as medians, lids, floors, and
2 other options that provide flexibility to adjust to economic
3 conditions while maintaining the integrity of the methodology;

4 (iv) Be supported by relevant, reliable, verifiable, and
5 independent data to the extent possible; and

6 (v) To the extent possible, repurpose and streamline data sources
7 and modeling that the aging and long-term support administration uses
8 for other rate-setting processes.

9 (b) In developing payment metrics for medicaid-covered services,
10 staff and service requirements must be reviewed for assisted living,
11 adult residential care, and enhanced adult residential care as
12 described in chapters 74.39A and 18.20 RCW. At a minimum, the
13 proposed rate methodology must include a component that recognizes
14 staffing for intermittent nursing and personal care services. Service
15 area adjustments based on population density must be reviewed and
16 compared with other options to recognize high-cost areas. The most
17 recent and complete wage data available through the bureau of labor
18 statistics must also be included for review and consideration. The
19 methodology work group must consider operational requirements and
20 indirect services in developing the model. The work group must
21 include a rate component that recognizes statutory and regulatory
22 physical plant requirements. The work group must review and consider
23 physical plant requirements for assisted living as described in
24 chapter 51.50 RCW. A fair rental valuation must be reviewed and
25 considered as an option for the capital component. The recognition of
26 food for medicaid residents must also be included in the work group
27 considerations. The department's current methodology to address room
28 and board requirements, and the appropriateness of the continued use
29 of the 2003 time study and whether it can be reasonably adjusted or
30 whether a new time study should be conducted, must be reviewed and
31 considered by the work group.

32 (15) Within amounts appropriated in this section, the department
33 must pay medicaid nursing facility payment rates for public hospital
34 district providers in rural communities as defined under chapter
35 70.44 RCW that are no less than June 30, 2016, reimbursement levels.
36 This action is intended to assure continued access to essential
37 services in rural communities.

38 (16) \$5,370,000 of the general fund—state appropriation for
39 fiscal year 2018, \$10,199,000 of the general fund—state appropriation

1 for fiscal year 2019, and \$18,346,000 of the general fund—federal
2 appropriation are provided solely for a targeted vendor rate increase
3 to contracted client service providers.

4 (a) Within the amounts provided in this subsection, \$2,763,000 of
5 the general fund—state appropriation for fiscal year 2018, \$5,741,000
6 of the general fund—state appropriation for fiscal year 2019, and
7 \$9,775,000 of the general fund—federal appropriation are provided
8 solely for a vendor rate increase of two percent in fiscal year 2018
9 and an additional two percent in fiscal year 2019 for all contracted
10 vendors with the exception of nursing home providers, the program of
11 all-inclusive care for the elderly, nurse delegators, community
12 residential service providers, individual providers, agency
13 providers, and adult family homes.

14 (b) Within the amounts provided in this subsection, \$2,607,000 of
15 the general fund—state appropriation for fiscal year 2018, \$4,458,000
16 of the general fund—state appropriation for fiscal year 2019, and
17 \$8,571,000 of the general fund—federal appropriation are provided
18 solely to increase vendor rates for nursing homes, assisted living
19 facilities including adult residential care and enhanced adult
20 residential care, adult day health and adult day care providers, and
21 home care agency administration in the 2017-2019 fiscal biennium up
22 to the statewide minimum wage established in Initiative Measure No.
23 1433.

24 (17) \$4,815,000 of the general fund—state appropriation for
25 fiscal year 2018, \$8,527,000 of the general fund—state appropriation
26 for fiscal year 2019, and \$12,277,000 of the general fund—federal
27 appropriation are provided solely to create new community alternative
28 placement beds that prioritize the transition of clients who are
29 ready for discharge from the state psychiatric hospitals, but who
30 have additional long-term care or developmental disability needs.

31 (a) Community alternative placement beds include enhanced service
32 facility beds, adult family home beds, skilled nursing facility beds,
33 shared supportive housing beds, state operated living alternative
34 beds, and assisted living facility beds.

35 (b) Each client must receive an individualized assessment prior
36 to leaving one of the state psychiatric hospitals. The individualized
37 assessment must identify and authorize personal care, nursing care,
38 behavioral health stabilization, physical therapy, or other necessary
39 services to meet the unique needs of each client. It is the

1 expectation that, in most cases, staffing ratios in all community
2 alternative placement options described in (a) of this subsection
3 will need to increase to meet the needs of clients leaving the state
4 psychiatric hospitals. If specialized training is necessary to meet
5 the needs of a client before he or she enters a community placement,
6 then the person centered service plan must also identify and
7 authorize this training.

8 (c) When reviewing placement options, the department must
9 consider the safety of other residents, as well as the safety of
10 staff, in a facility. An initial evaluation of each placement,
11 including any documented safety concerns, must occur within thirty
12 days of a client leaving one of the state psychiatric hospitals and
13 entering one of the community placement options described in (a) of
14 this subsection. At a minimum, the department must perform two
15 additional evaluations of each placement during the first year that a
16 client has lived in the facility.

17 (d) During fiscal year 2018, in a presentation to the select
18 committee on quality improvement in state hospitals, the department
19 must describe the process of fielding and subsequently investigating
20 complaints of abuse, neglect, and exploitation within the community
21 alternative placement options described in (a) of this subsection. At
22 a minimum, the presentation must include data about the number of
23 complaints, and the nature of complaints, over the preceding five
24 fiscal years.

25 (e) During fiscal year 2019, in a presentation to the select
26 committee on quality improvement in state hospitals, the department
27 must provide an update about clients placed out of the state
28 psychiatric hospitals into the community alternative placement
29 options described in (a) of this subsection. At a minimum, for each
30 setting, the presentation must include data about the number of
31 placements, average daily rate, complaints fielded, and complaints
32 investigated. The presentation must also include information about
33 modifications, including the placement of clients into alternate
34 settings, that occurred due to the evaluations required under (c) of
35 this subsection.

36 In developing bed capacity, the department shall consider the
37 complex needs of individuals waiting for discharge from the state
38 psychiatric hospitals.

39 (18) \$315,000 of the general fund—state appropriation for fiscal
40 year 2018, \$315,000 of the general fund—state appropriation for

1 fiscal year 2019, and \$630,000 of the general fund—federal
2 appropriation are provided solely for discharge case managers
3 stationed at the state psychiatric hospitals. Discharge case managers
4 will transition clients ready for hospital discharge into less
5 restrictive alternative community placements. The transition of
6 clients ready for discharge will free up bed capacity at the state
7 psychiatric hospitals.

8 (19) \$135,000 of the general fund—state appropriation for fiscal
9 year 2018, \$135,000 of the general fund—state appropriation for
10 fiscal year 2019, and \$270,000 of the general fund—federal
11 appropriation are provided solely for financial service specialists
12 stationed at the state psychiatric hospitals. Financial service
13 specialists will help to transition clients ready for hospital
14 discharge into alternative community placements. The transition of
15 clients ready for discharge will free up bed capacity at the state
16 hospitals.

17 (20) \$5,007,000 of the general fund—state appropriation for
18 fiscal year 2018, \$5,143,000 of the general fund—state appropriation
19 for fiscal year 2019, and \$10,154,000 of the general fund—federal
20 appropriation are provided solely to implement chapter 286, Laws of
21 2017 (SB 5715) (nursing home payments).

22 (21) \$750,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$750,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely to implement chapter 287, Laws
25 of 2017 (SB 5736) (nutrition programs).

26 (22) \$183,000 of the general fund—state appropriation for fiscal
27 year 2018, \$92,000 of the general fund—state appropriation for fiscal
28 year 2019, and \$2,479,000 of the general fund—federal appropriation
29 are provided solely to finish the programming necessary to give the
30 department the ability to pay individual provider overtime when hours
31 over 40 hours per week are authorized for payment and are subject to
32 the conditions, limitations, and review provided in section 724 of
33 this act.

34 (23) \$229,000 of the general fund—state appropriation for fiscal
35 year 2018, \$229,000 of the general fund—state appropriation for
36 fiscal year 2019, and \$458,000 of the general fund—federal
37 appropriation are provided solely to increase the daily rate for
38 private duty nursing in adult family homes by \$63.77.

1 (24) \$246,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$313,000 of the general fund—federal appropriation are
3 provided solely to implement Senate Bill No. . . . (S-2907.2). If the
4 bill is not enacted by July 31, 2017, the amounts provided in this
5 subsection shall lapse.

6 (25)(a) No more than \$41,388,000 of the general fund—federal
7 appropriation may be expended for tailored support for older adults
8 and medicaid alternative care described in initiative 2 of the
9 medicaid transformation demonstration waiver under healthier
10 Washington. The department shall not increase general fund—state
11 expenditures on this initiative. The secretary in collaboration with
12 the director of the health care authority shall report to the joint
13 select committee on health care oversight no less than quarterly on
14 financial and health outcomes. The secretary in cooperation with the
15 director shall also report to the fiscal committees of the
16 legislature all of the expenditures of this subsection and shall
17 provide such fiscal data in the time, manner, and form requested by
18 the legislative fiscal committees.

19 (b) No more than \$2,200,000 of the general fund—federal
20 appropriation may be expended for supported housing and employment
21 services described in initiative 3a and 3b of the medicaid
22 transformation demonstration waiver under healthier Washington. Under
23 this initiative, the department and the health care authority shall
24 ensure that allowable and necessary services are provided to eligible
25 clients as identified by the department or its providers third party
26 administrator. The department and the authority in consultation with
27 the medicaid forecast work group shall ensure that reasonable
28 reimbursements are established for services deemed necessary within
29 an identified limit per individual. The department shall not increase
30 general fund—state expenditures under this initiative. The secretary
31 in cooperation with the director shall report to the joint select
32 committee on health care oversight no less than quarterly on
33 financial and health outcomes. The secretary in cooperation with the
34 director shall also report to the fiscal committees of the
35 legislature all of the expenditures of this subsection and shall
36 provide such fiscal data in the time, manner, and form requested by
37 the legislative fiscal committees.

38 (26) \$351,000 of the general fund—state appropriation for fiscal
39 year 2018, \$421,000 of the general fund—state appropriation for

1 fiscal year 2019, and \$1,012,000 of the general fund—federal
2 appropriation are provided solely for increasing the hourly rate for
3 nurse delegators from \$32.96 to \$45.32 effective September 1, 2017.

4 (27) \$10,017,000 of the general fund—state appropriation for
5 fiscal year 2018, \$13,111,000 of the general fund—state appropriation
6 for fiscal year 2019, and \$29,104,000 of the general fund—federal
7 appropriation are provided solely for the implementation of an
8 agreement reached between the governor and the adult family home
9 council under the provisions of chapter 41.56 RCW for the 2017-2019
10 fiscal biennium. Funding is contingent upon the enactment of Senate
11 Bill No. 5969 (transparency in public employee collective
12 bargaining). If the bill is not enacted by July 31, 2017, the amounts
13 provided in this subsection shall lapse.

14 (28) \$217,000 of the general fund—state appropriation for fiscal
15 year 2019 and \$1,949,000 of the general fund—federal appropriation
16 are provided solely for the development of an information technology
17 solution that is flexible enough to accommodate all service providers
18 impacted by the requirements for electronic visit verification
19 outlined in the 21st century cures act.

20 (29) \$40,000 of the general fund—state appropriation for fiscal
21 year 2019 and \$40,000 of the general fund—federal appropriation are
22 provided solely for the department, in partnership with the
23 department of health and the health care authority, to assist a
24 collaborative public-private entity with implementation of
25 recommendations in the state plan to address alzheimer's disease and
26 other dementias.

27 (30) \$1,813,000 of the general fund—private/local appropriation
28 and \$674,000 of the general fund—federal appropriation are provided
29 solely to implement Substitute House Bill No. 1792 (residential
30 services and supports). The annual certification renewal fee for
31 community residential service businesses shall be \$908 per client.
32 The annual certification renewal fee may not exceed the department's
33 annual licensing and oversight activity costs. If the bill is not
34 enacted by June 30, 2018, the amounts provided in this subsection
35 shall lapse.

36 (31) \$1,000,000 of the general fund—state appropriation for
37 fiscal year 2019 and \$1,200,000 of the general fund—federal
38 appropriation are provided solely to maintain client access to
39 medicaid contracted assisted living, enhanced adult residential care,

1 and adult residential care services under chapter 74.39A RCW.
2 Licensed assisted living facilities that contract with the department
3 to serve medicaid clients under these specified contract types must
4 have an average medicaid occupancy of at least sixty percent,
5 determined using the medicaid days from the immediately preceeding
6 calendar year during the months of July 1st through December 31st to
7 qualify for additional funding under this subsection.

8 (32) \$615,000 of the general fund—state appropriation for fiscal
9 year 2019 and \$698,000 of the general fund—federal appropriation are
10 provided solely to implement Substitute House Bill No. 2651 (personal
11 needs allowance). If the bill is not enacted by June 30, 2018, the
12 amounts provided in this subsection shall lapse.

13 (33) \$166,000 of the general fund—state appropriation for fiscal
14 year 2018, \$800,000 of the general fund—state appropriation for
15 fiscal year 2019, and \$1,510,000 of the general fund—federal
16 appropriation are provided solely to implement Engrossed Substitute
17 Senate Bill No. 6199 (consumer directed employer organizations). If
18 the bill is not enacted by June 30, 2018, the amounts provided in
19 this subsection shall lapse.

20 (34) \$100,000 of the general fund—state appropriation for fiscal
21 year 2019 and \$100,000 of the general fund—federal appropriation are
22 provided solely for the department of social and health services
23 aging and long-term support administration to contract for an updated
24 actuarial model of the 2016 independent feasibility study and
25 actuarial modeling of public and private options for leveraging
26 private resources to help individuals prepare for long-term services
27 and supports needs. The follow-up study must model alternative
28 variations of the previously studied public long-term care benefit
29 for workers, funded through a payroll deduction that would provide a
30 time-limited long-term care insurance benefit, including but not
31 limited to alternative minimum hours worked per year for vesting.

32 (b) The feasibility study and actuarial analysis must include
33 input from the joint legislative executive committee on aging and
34 disability and other interested stakeholders, and must include an
35 analysis of each variation based on:

- 36 (i) The expected costs and benefits for participants;
37 (ii) The total anticipated number of participants;
38 (iii) The projected savings to the state medicaid program, if
39 any; and

1 (iv) Legal and financial risks to the state.

2 (c) The department must provide status updates to the joint
3 legislative executive committee on aging and disability. The
4 feasibility study and actuarial analysis shall be completed and
5 submitted to the department by September 1, 2018. The department
6 shall submit a report, including the director's findings and
7 recommendations based on the feasibility study and actuarial
8 analysis, to the governor and the appropriate committees of the
9 legislature by October 1, 2018.

10 (35) \$50,000 of the general fund—state appropriation for fiscal
11 year 2019 and \$50,000 of the general fund—federal appropriation are
12 provided solely for the department of social and health services
13 aging and long-term support administration to contract with the area
14 agencies on aging to convene a work group to include long-term care
15 industry members, family members who provide long-term services and
16 supports, and other groups with interest in long-term services and
17 supports to develop a proposal on how family members could be
18 included as providers of long-term services and supports under the
19 previously studied public long-term care benefit. The work group
20 shall review options and propose:

21 (a) Minimum qualifications that would allow a family caregiver to
22 serve as a long-term services and supports provider, which may:

23 (i) Be distinct from the qualifications on the effective date of
24 this act for individual providers;

25 (ii) Require training based primarily on the individual needs and
26 preferences of the beneficiary;

27 (iii) Take into account the existing relationship between the
28 family caregiver and the beneficiary, the duration of the caregiving
29 experience, and the type of care being provided.

30 (b) Administrative program options for providing compensation,
31 benefits, and protections for family caregivers, considering cost-
32 effectiveness and administrative simplification. The program options
33 shall consider how to preserve the quality of the long-term care
34 workforce and must include worker protections and benefits.

35 (c) The work group shall develop recommendations and provide the
36 recommendations to the joint legislative and executive committee on
37 aging and disability by November 15, 2018.

****Sec. 206 was partially vetoed. See message at end of chapter.***

1 **Sec. 207.** 2017 3rd sp.s. c 1 s 207 (uncodified) is amended to
2 read as follows:

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

| | | |
|----|---|----------------------------------|
| 5 | General Fund—State Appropriation (FY 2018). | ((\$396,063,000)) |
| 6 | | <u>\$362,611,000</u> |
| 7 | General Fund—State Appropriation (FY 2019). | ((\$415,638,000)) |
| 8 | | <u>\$373,055,000</u> |
| 9 | General Fund—Federal Appropriation. | ((\$1,421,095,000)) |
| 10 | | <u>\$1,443,711,000</u> |
| 11 | General Fund—Private/Local Appropriation. | \$5,144,000 |
| 12 | Administrative Contingency Account—State | |
| 13 | Appropriation. | \$5,400,000 |
| 14 | <u>Pension Funding Stabilization Account—State</u> | |
| 15 | <u>Appropriation.</u> | <u>\$29,264,000</u> |
| 16 | TOTAL APPROPRIATION. | ((\$2,243,340,000)) |
| 17 | | <u>\$2,219,185,000</u> |

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

20 (1)(a) ((~~\$155,022,000~~)) \$125,399,000 of the general fund—state
21 appropriation for fiscal year 2018, ((~~\$160,136,000~~)) \$124,458,000 of
22 the general fund—state appropriation for fiscal year 2019,
23 \$836,761,000 of the general fund—federal appropriation, ((and))
24 \$5,400,000 of the administrative contingency account—state
25 appropriation, and \$8,155,000 of the pension funding stabilization
26 account—state appropriation are provided solely for all components of
27 the WorkFirst program. Within the amounts provided for the WorkFirst
28 program, the department may provide assistance using state-only funds
29 for families eligible for temporary assistance for needy families.
30 The department must create a WorkFirst budget structure that allows
31 for transparent tracking of budget units and subunits of expenditures
32 where these units and subunits are mutually exclusive from other
33 department budget units. The budget structure must include budget
34 units for the following: Cash assistance, child care, WorkFirst
35 activities, and administration of the program. Within these budget
36 units, the department must develop program index codes for specific
37 activities and develop allotments and track expenditures using these
38 codes. The department shall report to the office of financial

1 management and the relevant fiscal and policy committees of the
2 legislature prior to adopting a structure change.

3 (b) (~~(\$267,057,000)~~) \$260,135,000 of the amounts in (a) of this
4 subsection are provided solely for assistance to clients, including
5 grants, diversion cash assistance, and additional diversion emergency
6 assistance including but not limited to assistance authorized under
7 RCW 74.08A.210. The department may use state funds to provide support
8 to working families that are eligible for temporary assistance for
9 needy families but otherwise not receiving cash assistance. Within
10 amounts provided in (b) of this subsection, \$1,622,000 of the general
11 fund—state appropriation for fiscal year 2019 is provided solely for
12 implementation of Engrossed Substitute Senate Bill No. 5890 (foster
13 care and adoption). If the bill is not enacted by July 31, 2017, the
14 amount provided in this subsection shall lapse. Of the amounts
15 provided in this subsection (1)(b), \$8,975,000 of the general fund—
16 state appropriation for fiscal year 2019 is provided solely for the
17 department to increase the grant standard.

18 (c) (~~(\$168,005,000)~~) \$158,444,000 of the amounts in (a) of this
19 subsection are provided solely for WorkFirst job search, education
20 and training activities, barrier removal services, limited English
21 proficiency services, and tribal assistance under RCW 74.08A.040. The
22 department must allocate this funding based on client outcomes and
23 cost effectiveness measures. Amounts provided in (c) of this
24 subsection include funding for implementation of chapter 156, Laws of
25 2017 (2SSB 5347) (WorkFirst "work activity"). Within amounts provided
26 in (c) of this subsection, the department shall implement the working
27 family support program. The department shall adopt rules to take
28 effect July 31, 2017, to limit the working family support program at
29 10,000 households.

30 (~~(+i)~~) \$1,700,000 of the funds appropriated in (c) of this
31 subsection are provided solely for enhanced transportation assistance
32 provided that the department prioritize the use of these funds for
33 the recipients most in need of financial assistance to facilitate
34 their return to work. The department must not utilize these funds to
35 supplant repayment arrangements that are currently in place to
36 facilitate the reinstatement of drivers' licenses.

37 (~~(ii) Prior to renewal of intergovernmental TANF agreements with~~
38 ~~a tribe, the department shall request information on the total~~
39 ~~expenditures and total number of clients served in the tribal TANF~~
40 ~~program. When the per client costs in the tribal TANF program have~~

1 ~~increased since the initial agreement, the department may negotiate a~~
2 ~~lower state maintenance of effort level based on the increased~~
3 ~~resources provided by the tribe since the original agreement. The~~
4 ~~department shall report to the office of financial management and the~~
5 ~~fiscal committees of the legislature the revised amount of the state~~
6 ~~maintenance of effort level within two weeks of each newly signed~~
7 ~~intergovernmental TANF agreement.))~~

8 (d)(i) (~~(\$501,608,000)~~) \$477,054,000 of the amounts in (a) of
9 this subsection are provided solely for the working connections child
10 care program under RCW 43.215.135. In order to not exceed the
11 appropriated amount, the department shall manage the program so that
12 the average monthly caseload does not exceed 33,000 households and
13 the department shall give prioritized access into the program
14 according to the following order:

15 (A) Families applying for or receiving temporary assistance for
16 needy families (TANF);

17 (B) TANF families curing sanction;

18 (C) Foster children;

19 (D) Families that include a child with special needs;

20 (E) Families in which a parent of a child in care is a minor who
21 is not living with a parent or guardian and who is a full-time
22 student in a high school that has a school-sponsored on-site child
23 care center;

24 (F) Families with a child residing with a biological parent or
25 guardian who have received child protective services, child welfare
26 services, or a family assessment response from the department in the
27 past six months, and has received a referral for child care as part
28 of the family's case management.

29 (G) Families that received subsidies within the last thirty days
30 and:

31 (I) Have reapplied for subsidies; and

32 (II) Have household income of two hundred percent federal poverty
33 level or below; and

34 (H) All other eligible families.

35 (ii) The department, within existing appropriations, must ensure
36 quality control measures for the working connections child care
37 program by maximizing the use of information technology systems and
38 the development or modification of the application and standard
39 operating procedures to ensure that cases are:

40 (A) Appropriately and accurately processed; and

1 (B) Routinely monitored for eligibility in a manner that is
2 similar to processes and systems currently in place for regular
3 monitoring in other public assistance programs. Eligibility criteria
4 routinely monitored must include, at a minimum:

5 (I) Participation in work or other approved activities;

6 (II) Household composition; and

7 (III) Maximum number of subsidized child care hours authorized.

8 The department must submit a preliminary report by December 1, 2017,
9 and a final report by December 1, 2018, to the governor and the
10 appropriate fiscal and policy committees of the legislature detailing
11 the specific actions taken to implement this subsection.

12 (iii) Of the amounts provided in (d) of this subsection,
13 \$4,620,000 of the appropriation for fiscal year 2018 and \$4,792,000
14 of the appropriation for fiscal year 2019 are provided for a base
15 rate increase, a rate increase for Family Friend and Neighbor
16 providers, covering an increase for health insurance premiums, and
17 increasing paid professional development days from three days to five
18 days. This funding is for the 2017-2019 collective bargaining
19 agreement covering family child care providers as set forth in
20 section 940 of this act.

21 (iv) Of the amounts provided in (d) of this subsection,
22 \$8,547,000 of the general fund—state appropriation for fiscal year
23 2018 and \$10,438,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for subsidy base rate increases
25 for child care center providers.

26 (e) \$34,248,000 of the general fund—federal appropriation is
27 provided solely for child welfare services within the department of
28 children, youth, and families.

29 (f) (~~(\$170,442,000)~~) \$170,292,000 of the amounts in (1)(a) of
30 this section are provided solely for WorkFirst and working
31 connections child care administration and overhead. \$127,000 of the
32 funds appropriated in this subsection for fiscal year 2019 are
33 provided solely for implementation of chapter 9, Laws of 2017 3rd sp.
34 sess. (working connections child care).

35 (g) The amounts in subsections (1)(b) through (e) of this section
36 shall be expended for the programs and in the amounts specified.
37 However, the department may transfer up to 10 percent of funding
38 between subsections (1)(b) through (f) of this section. The
39 department shall provide notification prior to any transfer to the

1 office of financial management and to the appropriate legislative
2 committees and the legislative-executive WorkFirst oversight task
3 force. The approval of the director of financial management is
4 required prior to any transfer under this subsection.

5 (h) Each calendar quarter, the department shall provide a
6 maintenance of effort and participation rate tracking report for
7 temporary assistance for needy families to the office of financial
8 management, the appropriate policy and fiscal committees of the
9 legislature, and the legislative-executive WorkFirst oversight task
10 force. The report must detail the following information for temporary
11 assistance for needy families:

12 (i) An overview of federal rules related to maintenance of
13 effort, excess maintenance of effort, participation rates for
14 temporary assistance for needy families, and the child care
15 development fund as it pertains to maintenance of effort and
16 participation rates;

17 (ii) Countable maintenance of effort and excess maintenance of
18 effort, by source, provided for the previous federal fiscal year;

19 (iii) Countable maintenance of effort and excess maintenance of
20 effort, by source, for the current fiscal year, including changes in
21 countable maintenance of effort from the previous year;

22 (iv) The status of reportable federal participation rate
23 requirements, including any impact of excess maintenance of effort on
24 participation targets;

25 (v) Potential new sources of maintenance of effort and progress
26 to obtain additional maintenance of effort; and

27 (vi) A two-year projection for meeting federal block grant and
28 contingency fund maintenance of effort, participation targets, and
29 future reportable federal participation rate requirements.

30 (i) In the 2017-2019 fiscal biennium, it is the intent of the
31 legislature to provide appropriations from the state general fund for
32 the purposes of (b) through (f) of this subsection if the department
33 does not receive additional federal temporary assistance for needy
34 families contingency funds in each fiscal year as assumed in the
35 budget outlook.

36 (j) The department must submit a report by December 1, 2018, to
37 the governor and the appropriate fiscal and policy committees of the
38 legislature that estimates the caseload and fiscal impact of
39 returning to pre-2011 temporary assistance for needy families

1 policies. At a minimum, the report must include an analysis of the
2 caseload and fiscal impact of:

3 (i) Removing the sixty-month lifetime limit;

4 (ii) Lessening sanction policies; and

5 (iii) No longer requiring the WorkFirst orientation.

6 (2) \$1,657,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$1,657,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for naturalization services.

9 (3) \$2,366,000 of the general fund—state appropriation for fiscal
10 year 2018 is provided solely for employment services for refugees and
11 immigrants, of which \$1,774,000 is provided solely for the department
12 to pass through to statewide refugee and immigrant assistance
13 organizations for limited English proficiency pathway services; and
14 \$2,366,000 of the general fund—state appropriation for fiscal year
15 2019 is provided solely for employment services for refugees and
16 immigrants, of which \$1,774,000 is provided solely for the department
17 to pass through to statewide refugee and immigrant assistance
18 organizations for limited English proficiency pathway services.

19 (4) On (~~December~~) January 1, 2017, and annually thereafter, the
20 department must report to the governor and the legislature on all
21 sources of funding available for both refugee and immigrant services
22 and naturalization services during the current fiscal year and the
23 amounts expended to date by service type and funding source. The
24 report must also include the number of clients served and outcome
25 data for the clients.

26 (5) To ensure expenditures remain within available funds
27 appropriated in this section, the legislature establishes the benefit
28 under the state food assistance program, pursuant to RCW 74.08A.120,
29 to be one hundred percent of the federal supplemental nutrition
30 assistance program benefit amount.

31 (6) The department shall review clients receiving services
32 through the aged, blind, or disabled assistance program, to determine
33 whether they would benefit from assistance in becoming naturalized
34 citizens, and thus be eligible to receive federal supplemental
35 security income benefits. Those cases shall be given high priority
36 for naturalization funding through the department.

37 (7) (~~(\$433,000)~~) \$856,000 of the general fund—state appropriation
38 for fiscal year 2018, (~~(\$451,000)~~) \$1,848,000 of the general fund—
39 state appropriation for fiscal year 2019, and (~~(\$6,451,000)~~)

1 \$16,267,000 of the general fund—federal appropriation are provided
2 solely for ESAR Architectural Development and are subject to the
3 conditions, limitations, and review provided in section 724 of this
4 act.

5 (8) The department shall continue the interagency agreement with
6 the department of veterans' affairs to establish a process for
7 referral of veterans who may be eligible for veterans' services. This
8 agreement must include out-stationing department of veterans' affairs
9 staff in selected community service office locations in King and
10 Pierce counties to facilitate applications for veterans' services.

11 (9) \$750,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$750,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for operational support of the
14 Washington information network 211 organization.

15 (10) \$90,000 of the general fund—state appropriation for fiscal
16 year 2018, \$8,000 of the general fund—state appropriation for fiscal
17 year 2019, and \$36,000 of the general fund—federal appropriation are
18 provided solely for implementation of chapter 270, Laws of 2017 (SB
19 5118) (personal needs allowance).

20 (11) (~~(\$127,000 of the general fund state appropriation for~~
21 ~~fiscal year 2019 is provided solely for implementation of Substitute~~
22 ~~House Bill No. 1624 (working connections child care). If the bill is~~
23 ~~not enacted by July 31, 2017, the amount provided in this subsection~~
24 ~~shall lapse.)) \$438,000 of the general fund—state appropriation for
25 fiscal year 2019 is provided solely for the implementation of
26 Engrossed Second Substitute House Bill No. 1831 (public assistance/
27 resources). If the bill is not enacted by June 30, 2018, the amount
28 provided in this subsection shall lapse.~~

29 (12) \$43,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$16,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for the implementation of
32 Engrossed Second Substitute Bill No. 2667 (essential needs/ABD
33 programs). If the bill is not enacted by June 30, 2018, the amount
34 provided in this subsection shall lapse.

35 (13) \$58,000 of the general fund—state appropriation for fiscal
36 year 2019 is provided solely for the implementation of Substitute
37 House Bill No. 2651 (personal needs allowance). If the bill is not
38 enacted by June 30, 2018, the amount provided in this subsection
39 shall lapse.

1 (14) \$5,000,000 of the general fund—federal appropriation is
2 provided solely for the resources to initiate successful employment
3 program. The department shall submit a preliminary report of its
4 findings of the impact of this program on increasing employment to
5 the appropriate committees of the legislature no later than January
6 1, 2019, with a final report submitted no later than June 30, 2019.

7 (15) \$121,000 of the general fund—state appropriation for fiscal
8 year 2019 is provided solely for implementation of Substitute Senate
9 Bill No. 5683 (Pacific Islander health care). If the bill is not
10 enacted by June 30, 2018, the amount provided in this subsection
11 shall lapse.

12 (16) \$51,000 of the general fund—state appropriation for fiscal
13 year 2019 and \$21,000 of the general fund—federal appropriation are
14 provided solely to implement Second Substitute House Bill No. 1513
15 (youth voter registration information). If the bill is not enacted by
16 June 30, 2018, the amounts provided in this subsection shall lapse.

17 (17) \$22,000 of the general fund—state appropriation for fiscal
18 year 2019 and \$43,000 of the general fund—federal appropriation are
19 provided solely to implement Engrossed Substitute Senate Bill No.
20 6037 (uniform parentage act). If the bill is not enacted by June 30,
21 2018, the amount provided in this subsection shall lapse.

22 **Sec. 208.** 2017 3rd sp.s. c 1 s 208 (uncodified) is amended to
23 read as follows:

24 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ALCOHOL AND**
25 **SUBSTANCE ABUSE PROGRAM**

| | | |
|----|--|--------------------------------|
| 26 | General Fund—State Appropriation (FY 2018). | ((\$78,842,000)) |
| 27 | | <u>\$96,763,000</u> |
| 28 | ((General Fund—State Appropriation (FY 2019). | \$71,308,000)) |
| 29 | General Fund—Federal Appropriation. | ((\$575,249,000)) |
| 30 | | <u>\$301,240,000</u> |
| 31 | General Fund—Private/Local Appropriation. | ((\$20,211,000)) |
| 32 | | <u>\$10,101,000</u> |
| 33 | Criminal Justice Treatment Account—State | |
| 34 | Appropriation. | ((\$12,978,000)) |
| 35 | | <u>\$6,488,000</u> |
| 36 | Problem Gambling Account—State Appropriation. | ((\$1,453,000)) |
| 37 | | <u>\$725,000</u> |
| 38 | Dedicated Marijuana Account—State Appropriation | |

1 (FY 2018). \$24,802,000
 2 (~~Dedicated Marijuana Account—State Appropriation~~
 3 ~~(FY 2019). \$24,802,000))
 4 Pension Funding Stabilization Account—State
 5 Appropriation. \$264,000
 6 TOTAL APPROPRIATION. ((~~\$809,645,000~~)
 7 \$440,383,000)~~

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

10 (1) \$3,278,000 of the dedicated marijuana account—state
 11 appropriation for fiscal year 2018 (~~and \$3,278,000 of the dedicated~~
 12 ~~marijuana account—state appropriation for fiscal year 2019~~) are
 13 provided solely for a memorandum of understanding with the department
 14 of social and health services juvenile rehabilitation administration
 15 to provide substance abuse treatment programs for juvenile offenders.
 16 Of the amounts provided in this subsection:

17 (a) \$1,130,000 of the dedicated marijuana account—state
 18 appropriation for fiscal year 2018 (~~and \$1,130,000 of the dedicated~~
 19 ~~marijuana account—state appropriation for fiscal year 2019 are~~) is
 20 provided solely for alcohol and substance abuse treatment programs
 21 for locally committed offenders. The juvenile rehabilitation
 22 administration shall award these funds as described in section 203(4)
 23 of this act.

24 (b) \$282,000 of the dedicated marijuana account—state
 25 appropriation for fiscal year (~~2017 and \$282,000 of the dedicated~~
 26 ~~marijuana account—state appropriation for fiscal year 2019 are~~) 2018
 27 is provided solely for the expansion of evidence-based treatments and
 28 therapies as described in section 203(2) of this act.

29 (2) During the 2017-19 fiscal biennium, any amounts provided in
 30 this section that are used for case management services for pregnant
 31 and parenting women must be contracted directly between the
 32 department and providers rather than through contracts with
 33 behavioral health organizations.

34 (3) Within the amounts appropriated in this section, the
 35 department may contract with the University of Washington and
 36 community-based providers for the provision of the parent-child
 37 assistance program or other specialized chemical dependency case
 38 management providers for pregnant, post-partum, and parenting women.
 39 For all contractors: (i) Service and other outcome data must be

1 provided to the department by request; and (ii) indirect charges for
2 administering the program shall not exceed ten percent of the total
3 contract amount.

4 ~~((4) \$3,500,000))~~ \$1,750,000 of the general fund—federal
5 appropriation (from the substance abuse prevention and treatment
6 federal block grant) is provided solely for the continued funding of
7 existing county drug and alcohol use prevention programs.

8 (5) \$200,000 of the dedicated marijuana account—state
9 appropriation for fiscal year 2018 ~~((and \$200,000 of the dedicated
10 marijuana account—state appropriation for fiscal year 2019 are))~~ is
11 provided solely for a contract with the Washington state institute
12 for public policy to conduct cost-benefit evaluations of the
13 implementation of chapter 3, Laws of 2013 (Initiative Measure No.
14 502).

15 (6) \$500,000 of the dedicated marijuana account—state
16 appropriation for fiscal year 2018 ~~((and \$500,000 of the dedicated
17 marijuana account—state appropriation for fiscal year 2019 are))~~ is
18 provided solely to design and administer the Washington state healthy
19 youth survey and the Washington state young adult behavioral health
20 survey.

21 (7) \$396,000 of the dedicated marijuana account—state
22 appropriation for fiscal year 2018 ~~((and \$396,000 of the dedicated
23 marijuana account—state appropriation for fiscal year 2019 are))~~ is
24 provided solely for maintaining increased services to pregnant and
25 parenting women provided through the parent child assistance program.

26 (8) \$250,000 of the dedicated marijuana account—state
27 appropriation for fiscal year 2018 ~~((and \$250,000 of the dedicated
28 marijuana account—state appropriation for fiscal year 2019 are))~~ is
29 provided solely for a grant to the office of superintendent of public
30 instruction to provide life skills training to children and youth in
31 schools that are in high needs communities.

32 (9) \$386,000 of the dedicated marijuana account—state
33 appropriation for fiscal year 2018 ~~((and \$386,000 of the dedicated
34 marijuana account—state appropriation for fiscal year 2019 are))~~ is
35 provided solely to maintain increased prevention and treatment
36 services provided by tribes to children and youth.

37 (10) \$2,684,000 of the dedicated marijuana account—state
38 appropriation for fiscal year 2018 ~~((, \$2,684,000 of the dedicated
39 marijuana account—state appropriation for fiscal year 2019,))~~ and

1 (~~(\$1,900,000)~~) \$950,000 of the general fund—federal appropriation are
2 provided solely to maintain increased residential treatment services
3 for children and youth.

4 (11) \$250,000 of the dedicated marijuana account—state
5 appropriation for fiscal year 2018 (~~(and \$250,000 of the dedicated~~
6 ~~marijuana account—state appropriation for fiscal year 2019 are)~~) is
7 provided solely for training and technical assistance for the
8 implementation of evidence based, research based, and promising
9 programs which prevent or reduce substance use disorders.

10 (12) \$2,434,000 of the dedicated marijuana account—state
11 appropriation for fiscal year 2018 (~~(and \$2,434,000 of the dedicated~~
12 ~~marijuana account—state appropriation for fiscal year 2019 are)~~) is
13 provided solely for expenditure into the home visiting services
14 account.

15 (13) \$2,500,000 of the dedicated marijuana account—state
16 appropriation for fiscal year 2018 (~~(and \$2,500,000 of the dedicated~~
17 ~~marijuana account—state appropriation for fiscal year 2019 are)~~) is
18 provided solely for grants to community-based programs that provide
19 prevention services or activities to youth, including programs for
20 school-based resource officers. These funds must be utilized in
21 accordance with RCW 69.50.540.

22 (14) Within the amounts provided in this section, behavioral
23 health organizations must provide outpatient chemical dependency
24 treatment for offenders enrolled in the medicaid program who are
25 supervised by the department of corrections pursuant to a term of
26 community supervision. Contracts with behavioral health organizations
27 must require that behavioral health organizations include in their
28 provider network specialized expertise in the provision of
29 manualized, evidence-based chemical dependency treatment services for
30 offenders. The department of corrections and the department must
31 develop a memorandum of understanding for department of corrections
32 offenders on active supervision who are medicaid eligible and meet
33 medical necessity for outpatient substance use disorder treatment.
34 The agreement will ensure that treatment services provided are
35 coordinated, do not result in duplication of services, and maintain
36 access and quality of care for the individuals being served. The
37 department must provide all necessary data, access, and reports to
38 the department of corrections for all department of corrections
39 offenders that receive medicaid paid services.

1 (15) (~~(\$1,125,000)~~) \$563,000 of the general fund—federal
2 appropriation is provided solely for the department to develop a
3 memorandum of understanding with the department of health for
4 implementation of chapter 297, Laws of 2017 (ESHB 1427) (opioid
5 treatment programs). The department must use these amounts to
6 reimburse the department of health for costs incurred through the
7 implementation of the bill.

8 (16) \$891,000 of the general fund—state appropriation for fiscal
9 year 2018(~~(, \$2,580,000 of the general fund—state appropriation for~~
10 ~~fiscal year 2019,)) and (~~(\$2,755,000)~~) \$435,000 of the general fund—
11 federal appropriation are provided solely for the development and
12 operation of two secure detoxification facilities. The department
13 must not use any of these amounts for services in facilities that are
14 subject to federal funding restrictions that apply to institutions
15 for mental diseases, unless they have received a waiver that allows
16 for full federal participation in these facilities.~~

17 (17) (~~(\$1,000,000)~~) \$500,000 of the criminal justice treatment
18 account—state appropriation is provided solely to maintain increased
19 funding for substance abuse treatment and support services for
20 offenders and support of drug courts.

21 (18) The department must review the treatment services provided
22 by the behavioral health organizations (BHO) to individuals
23 supervised by the department of corrections in the community. In
24 reviewing, the department shall compile data specific to BHOs and in
25 the aggregate for access to services, timeliness, number of referrals
26 from the department of corrections, and number of individuals served.
27 The department will consult with the department of corrections and
28 must report to the governor and the appropriate legislative
29 committees no later than November 30, 2017, the transition of
30 services from the department of corrections to the BHOs and identify
31 barriers to access and services for community supervised individuals
32 and provide recommendations for improved services to this population.

33 (19) \$100,000 of the general fund—state appropriation for fiscal
34 year 2018 (~~(and \$100,000 of the general fund—state appropriation for~~
35 ~~fiscal year 2019 are)) is provided solely for parenting education
36 services focused on pregnant and parenting women.~~

37 (20) Within existing appropriations, the department shall
38 prioritize the prevention and treatment of intravenous opiate-based
39 drug use.

1 (21) In accordance with RCW 70.96A.090, 71.24.035, 43.20B.110,
2 and 43.135.055, the department is authorized to adopt fees for the
3 review and approval of mental health and substance use disorder
4 treatment programs in fiscal ~~((years))~~ year 2018 ~~((and—2019))~~ as
5 necessary to support the costs of the regulatory program. The
6 department's fee schedule shall have differential rates for providers
7 with proof of accreditation from organizations that the department
8 has determined to have substantially equivalent standards to those of
9 the department, including but not limited to the joint commission on
10 accreditation of health care organizations, the commission on
11 accreditation of rehabilitation facilities, and the council on
12 accreditation. To reflect the reduced costs associated with
13 regulation of accredited programs, the department's fees for
14 organizations with such proof of accreditation must reflect the lower
15 cost of licensing for these programs than for other organizations
16 which are not accredited. To the extent that the fees charged in
17 fiscal year 2018 are not expected to fully cover the cost of the
18 program, the department must submit a report to the office of
19 financial management and the appropriate fiscal committees of the
20 legislature identifying what further increases would be required and
21 the differential impact on providers. This report must be submitted
22 by December 1, 2017.

23 (22) \$31,995,000 of the general fund—state appropriation for
24 fiscal year 2018 is provided solely to assist behavioral health
25 organizations with the costs of providing services to medicaid
26 clients receiving services in psychiatric facilities classified as
27 institutions of mental diseases. The department must distribute these
28 amounts proportionate to the number of bed days for medicaid clients
29 in institutions for mental diseases that were excluded from
30 behavioral health organization fiscal year 2018 capitation rates
31 because they exceeded the amounts allowed under federal regulations.
32 The department must also use these amounts to directly pay for costs
33 that are ineligible for medicaid reimbursement in institutions of
34 mental disease facilities for American Indian and Alaska Natives who
35 opt to receive behavioral health services on a fee-for-service basis.
36 The amounts used for these individuals must be reduced from the
37 allocation of the behavioral health organization where the individual
38 resides. If a behavioral health organization receives more funding
39 through this subsection than is needed to pay for the cost of their
40 medicaid clients in institutions for mental diseases, they must use

1 the remainder of the amounts to provide other services not covered
2 under the medicaid program. The department must apply for a waiver
3 from the center for medicaid and medicare services to allow for the
4 full cost of stays in institutions of mental diseases to be included
5 in fiscal year 2019 behavioral health organization capitation rates.
6 The department may tailor the fiscal year 2019 waiver to specific
7 populations for which the center for medicaid and medicare services
8 has indicated they are likely to approve and work to further expand
9 the waiver to other populations in fiscal year 2020.

10 **Sec. 209.** 2017 3rd sp.s. c 1 s 209 (uncodified) is amended to
11 read as follows:

12 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—VOCATIONAL**
13 **REHABILITATION PROGRAM**

| | | |
|----|---|--------------------------------|
| 14 | General Fund—State Appropriation (FY 2018). | ((\$14,899,000)) |
| 15 | | <u>\$13,890,000</u> |
| 16 | General Fund—State Appropriation (FY 2019). | ((\$15,603,000)) |
| 17 | | <u>\$14,443,000</u> |
| 18 | General Fund—Federal Appropriation. | ((\$97,328,000)) |
| 19 | | <u>\$109,730,000</u> |
| 20 | <u>Pension Funding Stabilization Account—State</u> | |
| 21 | <u>Appropriation.</u> | <u>\$2,024,000</u> |
| 22 | TOTAL APPROPRIATION. | ((\$127,830,000)) |
| 23 | | <u>\$140,087,000</u> |

24 The appropriations in this section are subject to the following
25 conditions and limitations: The department of social and health
26 services vocational rehabilitation program shall participate in the
27 development of an implementation plan to build statewide capacity
28 among school districts to improve transition planning for students in
29 special education who meet criteria for services from the
30 developmental disabilities administration, pursuant to section
31 501(57) of this act.

32 **Sec. 210.** 2017 3rd sp.s. c 1 s 210 (uncodified) is amended to
33 read as follows:

34 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—SPECIAL COMMITMENT**
35 **PROGRAM**

| | | |
|----|---|-------------------------------|
| 36 | General Fund—State Appropriation (FY 2018). | ((\$45,488,000)) |
| 37 | | <u>\$46,202,000</u> |

| | | |
|---|---|-------------------------------|
| 1 | General Fund—State Appropriation (FY 2019). | ((\$46,173,000)) |
| 2 | | <u>\$47,157,000</u> |
| 3 | <u>Pension Funding Stabilization Account—State</u> | |
| 4 | <u>Appropriation.</u> | \$4,858,000 |
| 5 | TOTAL APPROPRIATION. | ((\$91,661,000)) |
| 6 | | <u>\$98,217,000</u> |

7 The appropriations in this section are subject to the following
8 conditions and limitations: The special commitment center may use
9 funds appropriated in this subsection to purchase goods and supplies
10 through hospital group purchasing organizations when it is cost-
11 effective to do so.

12 **Sec. 211.** 2017 3rd sp.s. c 1 s 211 (uncodified) is amended to
13 read as follows:

14 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ADMINISTRATION AND**
15 **SUPPORTING SERVICES PROGRAM**

| | | |
|----|---|--------------------------------|
| 16 | General Fund—State Appropriation (FY 2018). | ((\$36,681,000)) |
| 17 | | <u>\$33,712,000</u> |
| 18 | General Fund—State Appropriation (FY 2019). | ((\$30,791,000)) |
| 19 | | <u>\$29,364,000</u> |
| 20 | General Fund—Federal Appropriation. | ((\$39,963,000)) |
| 21 | | <u>\$43,831,000</u> |
| 22 | ((General Fund—Private/Local Appropriation. | \$654,000)) |
| 23 | <u>Pension Funding Stabilization Account—State</u> | |
| 24 | <u>Appropriation.</u> | \$6,247,000 |
| 25 | TOTAL APPROPRIATION. | ((\$108,089,000)) |
| 26 | | <u>\$113,154,000</u> |

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

29 (1) \$300,000 of the general fund—state appropriation for fiscal
30 year 2018 and ((~~\$300,000~~)) \$500,000 of the general fund—state
31 appropriation for fiscal year 2019 are provided solely for a
32 Washington state mentoring organization to continue its public-
33 private partnerships to provide technical assistance and training to
34 mentoring programs that serve at-risk youth.

35 (2) Within amounts appropriated in this section, the department
36 shall provide to the department of health, where available, the
37 following data for all nutrition assistance programs funded by the

1 United States department of agriculture and administered by the
2 department. The department must provide the report for the preceding
3 federal fiscal year by February 1, 2018, and February 1, 2019. The
4 report must provide:

5 (a) The number of people in Washington who are eligible for the
6 program;

7 (b) The number of people in Washington who participated in the
8 program;

9 (c) The average annual participation rate in the program;

10 (d) Participation rates by geographic distribution; and

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

12 (3) \$1,216,000 of the general fund—state appropriation for fiscal
13 year 2019 and \$515,000 of the general fund—federal appropriation are
14 provided solely for the implementation of Engrossed Second Substitute
15 House Bill No. 1661 (child, youth, families department). If the bill
16 is not enacted by July 31, 2017, the amount provided in this
17 subsection shall lapse.

18 (4) \$81,000 of the general fund—state appropriation for fiscal
19 year 2018, \$86,000 of the general fund—state appropriation for fiscal
20 year 2019, and \$167,000 of the general fund—federal appropriation are
21 provided solely for the implementation of an agreement reached
22 between the governor and the Washington federation of state employees
23 for the language access providers under the provisions of chapter
24 41.56 RCW for the 2017-2019 fiscal biennium. Funding is contingent
25 upon the enactment of Senate Bill No. 5969 (transparency in public
26 employee collective bargaining). If the bill is not enacted by July
27 31, 2017, the amounts provided is this subsection shall lapse.

28 **Sec. 212.** 2017 3rd sp.s. c 1 s 212 (uncodified) is amended to
29 read as follows:

30 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER**
31 **AGENCIES PROGRAM**

| | | |
|----|---|--------------------------------|
| 32 | General Fund—State Appropriation (FY 2018). | ((\$81,319,000)) |
| 33 | | <u>\$82,245,000</u> |
| 34 | General Fund—State Appropriation (FY 2019). | ((\$43,380,000)) |
| 35 | | <u>\$42,783,000</u> |
| 36 | General Fund—Federal Appropriation. | ((\$57,578,000)) |
| 37 | | <u>\$57,081,000</u> |
| 38 | TOTAL APPROPRIATION. | ((\$182,277,000)) |

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.

(4) \$157,000 of the general fund—state appropriation for fiscal year 2018, \$159,000 of the general fund—state appropriation for fiscal year 2019, and \$134,000 of the general fund—federal appropriation are provided solely for legal support, including formal proceedings and informal client advice, associated with adult protective service investigations.

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

1 authorization systems within the health care authority are subject to
2 technical oversight by the office of the chief information officer.

3 The health care authority shall not initiate any services that
4 require expenditure of state general fund moneys unless expressly
5 authorized in this act or other law. The health care authority may
6 seek, receive, and spend, under RCW 43.79.260 through 43.79.282,
7 federal moneys not anticipated in this act as long as the federal
8 funding does not require expenditure of state moneys for the program
9 in excess of amounts anticipated in this act. If the health care
10 authority receives unanticipated unrestricted federal moneys, those
11 moneys shall be spent for services authorized in this act or in any
12 other legislation providing appropriation authority, and an equal
13 amount of appropriated state general fund moneys shall lapse. Upon
14 the lapsing of any moneys under this subsection, the office of
15 financial management shall notify the legislative fiscal committees.
16 As used in this subsection, "unrestricted federal moneys" includes
17 block grants and other funds that federal law does not require to be
18 spent on specifically defined projects or matched on a formula basis
19 by state funds.

20 The appropriations to the health care authority in this act shall
21 be expended for the programs and in the amounts specified in this
22 act. To the extent that appropriations in this section are
23 insufficient to fund actual expenditures in excess of caseload
24 forecasts and utilization assumptions, the authority, after May 1,
25 2018, may transfer general fund—state appropriations for fiscal year
26 2018 that are provided solely for a specified purpose. The authority
27 may not transfer funds, and the director of the office of financial
28 management shall not approve the transfer, unless the transfer is
29 consistent with the objective of conserving, to the maximum extent
30 possible, the expenditure of state funds. The director of the office
31 of financial management shall notify the appropriate fiscal
32 committees of the senate and house of representatives in writing
33 seven days prior to approving any allotment modifications or
34 transfers under this subsection. The written notification must
35 include a narrative explanation and justification of changes, along
36 with expenditures and allotments by budget unit and appropriation,
37 both before and after any allotment modifications and transfers.

38 (1) MEDICAL ASSISTANCE

39 General Fund—State Appropriation (FY 2018) (~~\$2,065,747,000~~)

| | | |
|----|--|-----------------------------------|
| 1 | | <u>\$2,024,969,000</u> |
| 2 | General Fund—State Appropriation (FY 2019). | ((\$2,114,943,000)) |
| 3 | | <u>\$2,084,494,000</u> |
| 4 | General Fund—Federal Appropriation. | ((\$11,503,815,000)) |
| 5 | | <u>\$11,823,330,000</u> |
| 6 | General Fund—Private/Local Appropriation. | ((\$232,300,000)) |
| 7 | | <u>\$204,427,000</u> |
| 8 | Emergency Medical Services and Trauma Care Systems | |
| 9 | Trust Account—State Appropriation. | \$15,086,000 |
| 10 | Hospital Safety Net Assessment Account—State | |
| 11 | Appropriation. | ((\$725,012,000)) |
| 12 | | <u>\$693,099,000</u> |
| 13 | Medicaid Fraud Penalty Account—State Appropriation. | ((\$28,163,000)) |
| 14 | | <u>\$28,154,000</u> |
| 15 | Medical Aid Account—State Appropriation. | \$528,000 |
| 16 | Dedicated Marijuana Account—State Appropriation | |
| 17 | (FY 2018). | ((\$16,205,000)) |
| 18 | | <u>\$17,616,000</u> |
| 19 | Dedicated Marijuana Account—State Appropriation | |
| 20 | (FY 2019). | ((\$17,039,000)) |
| 21 | | <u>\$18,405,000</u> |
| 22 | ((State Health Care Authority Administrative Account— | |
| 23 | State Appropriation. | \$7,000)) |
| 24 | Pension Funding Stabilization Account—State | |
| 25 | Appropriation. | \$4,538,000 |
| 26 | TOTAL APPROPRIATION. | ((\$16,718,845,000)) |
| 27 | | <u>\$16,914,646,000</u> |

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

30 (a) ((~~\$256,645,000~~)) \$268,117,000 of the general fund—state
31 appropriation for fiscal year 2018 and \$264,704,000 of the general
32 fund—state appropriation for fiscal year 2019 are provided solely for
33 the authority to implement a single, standard medicaid preferred drug
34 list to be used by all contracted medicaid managed health care
35 systems, on or before January 1, 2018. The preferred drug list shall
36 be developed in consultation with all contracted managed health care
37 systems and the state pharmacy and therapeutics committee or drug
38 utilization review board and shall further the goals and objectives
39 of the medicaid program. The list shall be designed to maximize

1 federal rebates and supplemental rebates and ensure access to
2 clinically effective and appropriate drug therapies under each class.
3 Entities eligible for 340B drug pricing shall continue to operate
4 under their current pricing agreement, unless otherwise required by
5 federal laws or regulations. The authority may utilize external
6 consultants with expertise in evidence-based drug class reviews,
7 pharmacy benefit management, and purchasing to assist with the
8 completion of this development and implementation. The authority
9 shall require each managed care organization that has contracted with
10 the authority to provide care to medicaid beneficiaries to use the
11 established preferred drug list; and shall prohibit each managed care
12 organization and any of its agents from negotiating or collecting
13 rebates for any medications listed in the state's medicaid single
14 preferred drug list whether preferred or nonpreferred. To assist in
15 the implementation of the single preferred drug list, contracted
16 medicaid managed health care systems shall provide the authority
17 drug-specific financial information in a format and frequency
18 determined by the authority to include the actual amounts paid to
19 pharmacies for prescription drugs dispensed to covered individuals
20 compared to the cost invoiced to the health plan and individual
21 rebates collected for prescription drugs dispensed to medicaid
22 members. Information disclosed to the authority by the manufacturer
23 pursuant to this provision shall only be used for the purposes of
24 developing and implementing a single, standard state preferred drug
25 list in accordance with this provision. The authority, medicaid
26 managed care organizations, and all other parties shall maintain the
27 confidentiality of drug-specific financial and other proprietary
28 information and such information shall not be subject to the
29 Washington public records act. The authority shall provide a report
30 to the governor and appropriate committees of the legislature by
31 November 15, 2018, and by November 15, 2019, including a comparison
32 of the amount spent in the previous two fiscal years to expenditures
33 under the new system by, at a minimum, fund source, total
34 expenditure, drug class, and top twenty-five drugs. The data provided
35 to the authority shall be aggregated in any report by the authority,
36 the legislature, or the office of financial management so as not to
37 disclose the proprietary or confidential drug-specific information,
38 or the proprietary or confidential information that directly or
39 indirectly identifies financial information linked to a single
40 manufacturer. It is the intent of the legislature to revisit this

1 policy in subsequent biennia to determine whether it is in the best
2 interest of the state.

3 (b) (~~(\$118,813,000)~~) \$113,356,000 of the general fund—state
4 appropriation for fiscal year 2018 and (~~(\$120,265,000)~~) \$140,578,000
5 of the general fund—state appropriation for fiscal year 2019 are
6 provided solely for (~~holding~~) managed care capitation (~~rates flat~~
7 ~~at calendar year 2017 levels in state fiscal years and calendar years~~
8 ~~2018 and 2019~~) payments.

9 (c) \$122,244,000 of the general fund—state appropriation for
10 fiscal year 2018 and \$116,038,000 of the general fund—state
11 appropriation for fiscal year 2019 are provided solely for the
12 authority through the competitive procurement process, to contract
13 with licensed dental health plans or managed health care plans on a
14 prepaid or fixed-sum risk basis to provide carved-out managed dental
15 care services on a statewide basis that will result in greater
16 efficiency and will facilitate better access and oral health outcomes
17 for medicaid enrollees. Except in areas where only a single plan is
18 available, the authority must contract with at least two plans. The
19 authority shall include in the contracts: (i) Quarterly reporting
20 requirements to include medicaid utilization and encounter data by
21 current dental technology (CDT) code; (ii) a direction to increase
22 the dental provider network; (iii) a commitment to retain innovative
23 programs that improve access and care such as the access to baby and
24 child dentistry program; (iv) a program to reduce emergency room use
25 for dental purposes; (v) a requirement to ensure that dental care is
26 being coordinated with the primary care provider of the patient to
27 ensure integrated care; (vi) a provision that no less than eighty-
28 five percent of the contracting fee be used to directly offset the
29 cost of providing direct patient care as opposed to administrative
30 costs; and (vii) a provision to ensure the contracting fee shall be
31 sufficient to compensate county health departments and federally
32 qualified health centers for dental patient care. The plan(s) awarded
33 this contract must absorb all start-up costs associated with moving
34 the program from fee-for-service to managed care and shall commit to
35 achieving an overall savings to the program based on 2016 fee-for-
36 service experience. In order to comply with state insurance
37 underwriting standards, the authority shall ensure that savings
38 offered by dental plans are actuarially sound. Starting January 31,
39 2019, and every year thereafter through December 2024, the authority

1 shall submit an annual report to the governor and the appropriate
2 committees of the legislature detailing how the contracted entities
3 have met the requirements of the contract. The report shall include
4 specific information to include utilization, how the contracted
5 entities have increased their dental provider networks, how the
6 emergency room use for dental purposes has been reduced, and how
7 dental care has been integrated with patients' primary care
8 providers. If after the end of five years the data reported does not
9 demonstrate sufficient progress to address the stated contracted
10 goals, the legislature will reevaluate whether carved-out dental
11 managed care needs to be replaced with a different delivery model.
12 The authority is authorized to seek any necessary state plan
13 amendments or federal waivers to implement this subsection.
14 Additional dental program savings achieved by the plans beyond those
15 assumed in the 2017-2019 omnibus appropriations act will be used to
16 increase dental provider reimbursement rates. By October 30, 2018,
17 the authority shall report to the governor and the appropriate
18 committees of the legislature anticipated savings related to
19 reduction in dental emergency department visits and utilization once
20 managed care dental coverage begins.

21 (d) (~~(\$1,540,849,000)~~) \$1,505,087,000 of the general fund—state
22 appropriation for fiscal year 2018 and (~~(\$1,585,513,000)~~)
23 \$1,538,030,000 of the general fund—state appropriation for fiscal
24 year 2019 are provided solely for medicaid services and the medicaid
25 program. However, the authority shall not accept or expend any
26 federal funds received under a medicaid transformation waiver under
27 healthier Washington except as described in (e) and (f) of this
28 subsection until specifically approved and appropriated by the
29 legislature. To ensure compliance with legislative directive budget
30 requirements and terms and conditions of the waiver, the authority
31 shall implement the waiver and reporting requirements with oversight
32 from the office of financial management. The legislature finds that
33 appropriate management of the innovation waiver requires better
34 analytic capability, transparency, consistency, timeliness, accuracy,
35 and lack of redundancy with other established measures and that the
36 patient must be considered first and foremost in the implementation
37 and execution of the demonstration waiver. In order to effectuate
38 these goals, the authority shall: (i) Require the Dr. Robert Bree
39 collaborative and the health technology assessment program to reduce
40 the administrative burden upon providers by only requiring

1 performance measures that are nonduplicative of other nationally
2 established measures. The joint select committee on health care
3 oversight will evaluate the measures chosen by the collaborative and
4 the health technology assessment program for effectiveness and
5 appropriateness; (ii) develop a patient satisfaction survey with the
6 goal to gather information about whether it was beneficial for the
7 patient to use the center of excellence location in exchange for
8 additional out-of-pocket savings; (iii) ensure patients and health
9 care providers have significant input into the implementation of the
10 demonstration waiver, in order to ensure improved patient health
11 outcomes; and (iv) in cooperation with the department of social and
12 health services, consult with and provide notification of work on
13 applications for federal waivers, including details on waiver
14 duration, financial implications, and potential future impacts on the
15 state budget, to the joint select committee on health care oversight
16 prior to submitting waivers for federal approval. By federal
17 standard, the medicaid transformation demonstration waiver shall not
18 exceed the duration originally granted by the centers for medicare
19 and medicaid services and any programs created or funded by this
20 waiver do not create an entitlement.

21 (e) No more than (~~(\$479,600,000)~~) \$486,683,000 of the general
22 fund—federal appropriation and no more than (~~(\$154,289,000)~~)
23 \$129,103,000 of the general fund—local appropriation may be expended
24 for transformation through accountable communities of health
25 described in initiative 1 of the medicaid transformation
26 demonstration wavier under healthier Washington, including preventing
27 youth drug use, opioid prevention and treatment, and physical and
28 behavioral health integration. Under this initiative, the authority
29 shall take into account local input regarding community needs. In
30 order to ensure transparency to the appropriate fiscal committees of
31 the legislature, the authority shall provide fiscal staff of the
32 legislature query ability into any database of the fiscal
33 intermediary that authority staff would be authorized to access. The
34 authority shall not increase general fund—state expenditures under
35 this initiative. The director shall report to the joint select
36 committee on health care oversight no less than quarterly, and
37 include details for each accountable community of health, on the
38 financial status and measurable health outcomes. The director shall
39 also report to the fiscal committees of the legislature all of the

1 expenditures under this subsection and shall provide such fiscal data
2 in the time, manner, and form requested by the legislative fiscal
3 committees. By December 15, 2019, the authority in collaboration with
4 each accountable community of health shall demonstrate how it will be
5 self-sustaining by the end of the demonstration waiver period,
6 including sources of outside funding, and provide this reporting to
7 the joint select committee on health care oversight. If by the third
8 year of the demonstration waiver there are not measurable, improved
9 patient outcomes and financial returns, the Washington state
10 institute for public policy will conduct an audit of the accountable
11 communities of health, in addition to the process set in place
12 through the independent evaluation required by the agreement with
13 centers for medicare and medicaid services. Prior to the 2018
14 legislative session, the human services, health care, and judiciary
15 committees of the legislature will convene a joint work session to
16 review models in the delivery system and the impacts on medical
17 liability. The work sessions should include integrated delivery
18 models with multiple health care providers and medical malpractice
19 insurance carriers.

20 (f) No more than (~~(\$42,584,000)~~) \$38,425,000 of the general fund—
21 federal appropriation may be expended for supported housing and
22 employment services described in initiative 3a and 3b of the medicaid
23 transformation demonstration waiver under healthier Washington. Under
24 this initiative, the authority and the department of social and
25 health services shall ensure that allowable and necessary services
26 are provided to eligible clients as identified by the department or
27 its third party administrator. The authority and the department in
28 consultation with the medicaid forecast work group, shall ensure that
29 reasonable reimbursements are established for services deemed
30 necessary within an identified limit per individual. The authority
31 shall not increase general fund—state expenditures under this
32 initiative. The director shall report to the joint select committee
33 on health care oversight no less than quarterly on financial and
34 health outcomes. The director shall also report to the fiscal
35 committees of the legislature all of the expenditures of this
36 subsection and shall provide such fiscal data in the time, manner,
37 and form requested by the legislative fiscal committees.

38 (g) No later than November 1, 2018, and each year thereafter, the
39 authority shall report to the governor and appropriate committees of
40 the legislature: (i) Savings attributed to behavioral and physical

1 integration in areas that are scheduled to integrate in the following
2 calendar year, and (ii) savings attributed to behavioral and physical
3 health integration and the level of savings achieved in areas that
4 have integrated behavioral and physical health.

5 ~~((g))~~ (h) Sufficient amounts are appropriated in this
6 subsection to implement the medicaid expansion as defined in the
7 social security act, section 1902(a)(10)(A)(i)(VIII).

8 ~~((h))~~ (i) The legislature finds that medicaid payment rates, as
9 calculated by the health care authority pursuant to the
10 appropriations in this act, bear a reasonable relationship to the
11 costs incurred by efficiently and economically operated facilities
12 for providing quality services and will be sufficient to enlist
13 enough providers so that care and services are available to the
14 extent that such care and services are available to the general
15 population in the geographic area. The legislature finds that the
16 cost reports, payment data from the federal government, historical
17 utilization, economic data, and clinical input constitute reliable
18 data upon which to determine the payment rates.

19 ~~((i))~~ (j) Based on quarterly expenditure reports and caseload
20 forecasts, if the health care authority estimates that expenditures
21 for the medical assistance program will exceed the appropriations,
22 the health care authority shall take steps including but not limited
23 to reduction of rates or elimination of optional services to reduce
24 expenditures so that total program costs do not exceed the annual
25 appropriation authority.

26 ~~((j))~~ (k) In determining financial eligibility for medicaid-
27 funded services, the health care authority is authorized to disregard
28 recoveries by Holocaust survivors of insurance proceeds or other
29 assets, as defined in RCW 48.104.030.

30 ~~((k))~~ (l) The legislature affirms that it is in the state's
31 interest for Harborview medical center to remain an economically
32 viable component of the state's health care system.

33 ~~((l))~~ (m) When a person is ineligible for medicaid solely by
34 reason of residence in an institution for mental diseases, the health
35 care authority shall provide the person with the same benefits as he
36 or she would receive if eligible for medicaid, using state-only funds
37 to the extent necessary.

38 ~~((m))~~ (n) \$4,261,000 of the general fund—state appropriation
39 for fiscal year 2018, \$4,261,000 of the general fund—state
40 appropriation for fiscal year 2019, and \$8,522,000 of the general

1 fund—federal appropriation are provided solely for low-income
2 disproportionate share hospital payments.

3 ~~((n))~~ (o) Within the amounts appropriated in this section, the
4 health care authority shall provide disproportionate share hospital
5 payments to hospitals that provide services to children in the
6 children's health program who are not eligible for services under
7 Title XIX or XXI of the federal social security act due to their
8 citizenship status.

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

32 ~~((p))~~ (q) The health care authority shall continue the
33 inpatient hospital certified public expenditures program for the
34 2017-2019 fiscal biennium. The program shall apply to all public
35 hospitals, including those owned or operated by the state, except
36 those classified as critical access hospitals or state psychiatric
37 institutions. The health care authority shall submit reports to the
38 governor and legislature by November 1, 2017, and by November 1,
39 2018, that evaluate whether savings continue to exceed costs for this
40 program. If the certified public expenditures (CPE) program in its

1 current form is no longer cost-effective to maintain, the health care
2 authority shall submit a report to the governor and legislature
3 detailing cost-effective alternative uses of local, state, and
4 federal resources as a replacement for this program. During fiscal
5 year 2018 and fiscal year 2019, hospitals in the program shall be
6 paid and shall retain one hundred percent of the federal portion of
7 the allowable hospital cost for each medicaid inpatient fee-for-
8 service claim payable by medical assistance and one hundred percent
9 of the federal portion of the maximum disproportionate share hospital
10 payment allowable under federal regulations. Inpatient medicaid
11 payments shall be established using an allowable methodology that
12 approximates the cost of claims submitted by the hospitals. Payments
13 made to each hospital in the program in each fiscal year of the
14 biennium shall be compared to a baseline amount. The baseline amount
15 will be determined by the total of (i) the inpatient claim payment
16 amounts that would have been paid during the fiscal year had the
17 hospital not been in the CPE program based on the reimbursement rates
18 developed, implemented, and consistent with policies approved in the
19 2017-2019 biennial operating appropriations act and in effect on July
20 1, 2015, (ii) one-half of the indigent assistance disproportionate
21 share hospital payment amounts paid to and retained by each hospital
22 during fiscal year 2005, and (iii) all of the other disproportionate
23 share hospital payment amounts paid to and retained by each hospital
24 during fiscal year 2005 to the extent the same disproportionate share
25 hospital programs exist in the 2017-2019 fiscal biennium. If payments
26 during the fiscal year exceed the hospital's baseline amount, no
27 additional payments will be made to the hospital except the federal
28 portion of allowable disproportionate share hospital payments for
29 which the hospital can certify allowable match. If payments during
30 the fiscal year are less than the baseline amount, the hospital will
31 be paid a state grant equal to the difference between payments during
32 the fiscal year and the applicable baseline amount. Payment of the
33 state grant shall be made in the applicable fiscal year and
34 distributed in monthly payments. The grants will be recalculated and
35 redistributed as the baseline is updated during the fiscal year. The
36 grant payments are subject to an interim settlement within eleven
37 months after the end of the fiscal year. A final settlement shall be
38 performed. To the extent that either settlement determines that a
39 hospital has received funds in excess of what it would have received
40 as described in this subsection, the hospital must repay the excess

1 amounts to the state when requested. (~~(\$10,575,000)~~) \$359,000 of the
2 general fund—state appropriation for fiscal year 2018 and
3 (~~(\$13,185,000)~~) \$361,000 of the general fund—state appropriation for
4 fiscal year 2019 are provided solely for state grants for the
5 participating hospitals.

6 (~~(+g)~~) (r) The health care authority shall seek public-private
7 partnerships and federal funds that are or may become available to
8 provide on-going support for outreach and education efforts under the
9 federal children's health insurance program reauthorization act of
10 2009.

11 (~~(+r)~~) (s) The health care authority shall target funding for
12 maternity support services towards pregnant women with factors that
13 lead to higher rates of poor birth outcomes, including hypertension,
14 a preterm or low birth weight birth in the most recent previous
15 birth, a cognitive deficit or developmental disability, substance
16 abuse, severe mental illness, unhealthy weight or failure to gain
17 weight, tobacco use, or African American or Native American race. The
18 health care authority shall prioritize evidence-based practices for
19 delivery of maternity support services. To the extent practicable,
20 the health care authority shall develop a mechanism to increase
21 federal funding for maternity support services by leveraging local
22 public funding for those services.

23 (~~(+s)~~) (t) The authority shall submit reports to the governor
24 and the legislature by September 15, 2018, and no later than
25 September 15, 2019, that delineate the number of individuals in
26 medicaid managed care, by carrier, age, gender, and eligibility
27 category, receiving preventative services and vaccinations. The
28 reports should include baseline and benchmark information from the
29 previous two fiscal years and should be inclusive of, but not limited
30 to, services recommended under the United States preventative
31 services task force, advisory committee on immunization practices,
32 early and periodic screening, diagnostic, and treatment (EPSDT)
33 guidelines, and other relevant preventative and vaccination medicaid
34 guidelines and requirements.

35 (~~(+t)~~) (u) Managed care contracts must incorporate
36 accountability measures that monitor patient health and improved
37 health outcomes, and shall include an expectation that each patient
38 receive a wellness examination that documents the baseline health
39 status and allows for monitoring of health improvements and outcome
40 measures.

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

3 ~~((v))~~ (w) The health care authority shall coordinate with the
4 department of social and health services to provide referrals to the
5 Washington health benefit exchange for clients that will be
6 ineligible for medicaid.

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

15 ~~((x))~~ (y) \$90,000 of the general fund—state appropriation for
16 fiscal year 2018, \$90,000 of the general fund—state appropriation for
17 fiscal year 2019, and \$180,000 of the general fund—federal
18 appropriation are provided solely to continue operation by a
19 nonprofit organization of a toll-free hotline that assists families
20 to learn about and enroll in the apple health for kids program.

21 ~~((y))~~ (z) The appropriations in this section reflect savings
22 and efficiencies by transferring children receiving medical care
23 provided through fee-for-service to medical care provided through
24 managed care.

25 ~~((z))~~ (aa) Within the amounts appropriated in this section, the
26 authority shall reimburse for primary care services provided by
27 naturopathic physicians.

28 ~~((aa))~~ (bb) Within the amounts appropriated in this section,
29 the authority shall continue to provide coverage for pregnant teens
30 that qualify under existing pregnancy medical programs, but whose
31 eligibility for pregnancy related services would otherwise end due to
32 the application of the new modified adjusted gross income eligibility
33 standard.

34 ~~((bb))~~ (cc) Sufficient amounts are appropriated in this section
35 to remove the mental health visit limit and to provide the shingles
36 vaccine and screening, brief intervention, and referral to treatment
37 benefits that are available in the medicaid alternative benefit plan
38 in the classic medicaid benefit plan.

1 ~~((ee))~~ (dd) The authority shall use revenue appropriated from
2 the dedicated marijuana fund for contracts with community health
3 centers under RCW 69.50.540 in lieu of general fund—state payments to
4 community health centers for services provided to medical assistance
5 clients, and it is the intent of the legislature that this policy
6 will be continued in subsequent fiscal biennia.

7 ~~((dd))~~ (ee) \$127,000 of the general fund—state appropriation
8 for fiscal year 2018 and \$1,144,000 of the general fund—federal
9 appropriation are provided solely to the ProviderOne provider
10 overtime project and are subject to the conditions, limitations, and
11 review provided in section 724 of this act.

12 ~~((ee))~~ (ff) \$175,000 of the general fund—state appropriation
13 for fiscal year 2018 and \$825,000 of the general fund—federal
14 appropriation are provided solely to the ProviderOne CORE operating
15 rules project and are subject to the conditions, limitations, and
16 review provided in section 724 of this act.

17 ~~((ff—\$2,200,000))~~ (gg) \$1,483,000 of the general fund—state
18 appropriation for fiscal year 2018 ~~((and \$2,701,000)),~~ \$1,594,000 of
19 the general fund—state appropriation for fiscal year 2019, and
20 \$1,509,000 of the general fund—federal appropriation are provided
21 ~~((solely))~~ for a rate increase effective July 1, 2018, and for
22 performance payments to reward successful beneficiary engagement in
23 the health homes program for ~~((dual—eligible))~~ fee-for-service
24 enrollees and these are the maximum amounts in each fiscal year the
25 authority may expend for this purpose.

26 ~~((gg))~~ (hh) \$450,000 of the general fund—state appropriation
27 for fiscal year 2018, \$450,000 of the general fund—state
28 appropriation for fiscal year 2019, and \$1,058,000 of the general
29 fund—federal appropriation are provided solely for the authority to
30 hire ten nurse case managers to coordinate medically assisted
31 treatment and movements to medical homes for those being treated for
32 opioid use disorder. Nurses shall be located in areas and provider
33 settings with the highest concentration of opioid use disorder
34 patients.

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

38 ~~((ii))~~ (jj) The authority and the department of social and
39 health services shall convene a work group consisting of

1 representatives of skilled nursing facilities, adult family homes,
2 assisted living facilities, managers of in-home long-term care,
3 hospitals, and managed health care systems. The work group shall
4 identify barriers that may prevent skilled nursing facilities from
5 accepting and admitting clients from acute care hospitals in a timely
6 and appropriate manner. The work group shall consider what additional
7 resources are needed to allow for faster transfers of enrollees,
8 including those with complex needs. By December 1, 2017, the
9 authority shall report the work group's findings to the governor and
10 the appropriate committees of the legislature.

11 ~~((jj))~~ (kk) Within the amounts appropriated within this
12 section, the authority shall implement the plan to show how improved
13 access to home health nursing reduces potentially preventable
14 readmissions, increases access to care, reduces hospital length of
15 stay, and prevents overall hospital admissions for clients receiving
16 private duty nursing, medically intensive care, or home health
17 benefits as described in their report to the legislature dated
18 December 15, 2016, entitled home health nursing. The authority shall
19 report to the governor and appropriate committees of the legislature
20 by December 31, 2017, information regarding the effect of the ten
21 dollar rate increases for skilled nursing care delivered via private
22 duty nursing or home health nursing, and how the rate changes
23 impacted the utilization and cost of emergency room visits, reduced
24 the length of stay for initial hospital admissions, and reduced
25 utilization and costs of preventable hospital readmissions. The
26 report will quantify potential cost saving opportunities that may
27 exist through improved access to private duty and home health nursing
28 statewide.

29 ~~((kk))~~ (ll) Within the amounts appropriated within this
30 section, beginning July 1, 2017, the authority must increase facility
31 fees to birth centers to the amount listed on page two of their
32 report to the legislature dated October 15, 2016, entitled
33 reimbursement for births performed at birth centers. This increased
34 rate is applicable in both a fee for service setting and is the
35 minimum allowable rate in a managed care setting. The authority shall
36 report to the governor and appropriate committees of the legislature
37 by October 15, 2018, updated information regarding access to care,
38 improvements to the Cesarean section rate, and savings outcomes for
39 utilizing birth centers as an alternative to hospitals.

1 (~~(ll)~~) (mm) Beginning no later than January 1, 2018, for any
2 service eligible under the medicaid state plan for encounter
3 payments, managed care organizations at the request of a rural health
4 clinic shall pay the full published encounter rate directly to the
5 clinic. At no time will a managed care organization be at risk for or
6 have any right to the supplemental portion of the claim. Payments
7 will be reconciled on at least an annual basis between the managed
8 care organization and the authority, with final review and approval
9 by the authority. By September 31, 2017, the authority shall report
10 to the legislature on its progress implementing this subsection.

11 (~~(mm)~~) (nn) Within the amounts appropriated in this section,
12 and in consultation with appropriate parties, including the rural
13 health clinic association of Washington and the centers for medicare
14 and medicaid services, by December 1, 2017, the authority shall
15 submit a report to the governor and appropriate committees of the
16 legislature evaluating legislative and administrative options to
17 reduce or eliminate any amounts owed by rural health clinics under
18 the payment reconciliation process established in the medicaid state
19 plan.

20 (~~(nn)~~) (oo) \$500,000 of the general fund—state appropriation
21 for fiscal year 2019 and \$500,000 of the general fund—federal
22 appropriation are provided solely for the authority to implement the
23 oral health connections pilot project in (~~(Yakima, Adams,)~~) Spokane,
24 Thurston, and Cowlitz counties. The authority shall work in
25 collaboration with Washington dental service foundation to jointly
26 develop and implement the program. The purpose of the three-year
27 pilot is to test the effect that enhanced dental benefits for adult
28 medicaid clients with diabetes and pregnant women have on access to
29 dental care, health outcomes, and medical care costs. The authority
30 must model the pilot on the access to baby and child dentistry
31 program. The pilot program must include enhanced reimbursement rates
32 for participating dental providers, including denturists licensed
33 under chapter 18.30 RCW, and an increase in the allowable number of
34 periodontal treatments to up to four per calendar year. Diabetic or
35 pregnant adult medicaid clients who are receiving dental care within
36 the pilot region(s), regardless of location of the service within the
37 pilot region(s), are eligible for the increased number of periodontal
38 treatments. The Washington dental service foundation shall partner
39 with the authority and provide wraparound services to link patients
40 to care. The authority and Washington dental service foundation shall

1 jointly develop the program. The authority and foundation shall
2 provide a joint progress report to the appropriate committees of the
3 legislature on December 1, 2017, and December 1, 2018.

4 ~~((+oo+))~~ (pp) Sufficient amounts are appropriated in this section
5 to increase the daily rate by \$155.20 for skilled nursing performed
6 by licensed practical nurses and registered nurses who serve
7 medically intensive children's program clients who reside in a group
8 home setting.

9 ~~((+pp+))~~ (qq) During the 2017-2019 fiscal biennium, the authority
10 must revise its agreements and contracts with vendors to include a
11 provision to require that each vendor agrees to equality among its
12 workers by ensuring similarly employed individuals are compensated as
13 equals as follows:

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

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

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

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

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

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

36 (iv) The authority must implement this provision with any new
37 contract and at the time of renewal of any existing contract.

38 ~~((+qq+))~~ (rr) \$100,000 of the general fund—state appropriation
39 for fiscal year 2018 and \$100,000 of the general fund—state
40 appropriation for fiscal year 2019 are provided solely for a pilot

1 program for treatment of inmates at the Snohomish county jail who are
2 undergoing detoxification from heroin and other opioids and for
3 connecting those individuals with treatment providers in the
4 community upon their release.

5 ~~((+rr+))~~ (ss) \$6,487,000 of the general fund—state appropriation
6 for fiscal year 2018 and \$1,340,000 of the general fund—state
7 appropriation for fiscal year 2019 are provided solely for the
8 physical health care costs of medicaid clients receiving services in
9 facilities classified as institutions for mental diseases for longer
10 than 15 days in a calendar month. The authority must apply for a
11 waiver from the center for medicare and medicaid services to allow
12 for the full cost of stays in institutions for mental diseases to be
13 included in managed care rates beginning on July 1, 2018. The
14 authority must submit a report on the status of the waiver to the
15 office of financial management and the appropriate committees of the
16 legislature by December 1, 2017.

17 ~~((+ss+))~~ (tt) The authority shall evaluate adding a tele-
18 psychiatry consultation benefit for medicaid covered individuals. The
19 authority shall submit a report with the cost associated with adding
20 such a benefit to the governor and appropriate committees of the
21 legislature by October 1, 2017.

22 ~~((+tt+))~~ (uu) \$33,000 of the general fund—state appropriation for
23 fiscal year 2018, ~~(((\$7,000 of the state health care authority
24 administrative account—state appropriation,))~~ and \$42,000 of the
25 general fund—federal appropriation are provided solely for the
26 bleeding disorder collaborative for care.

27 ~~((+uu+))~~ (vv) \$304,000 of the general fund—state appropriation
28 for fiscal year 2018, \$304,000 of the general fund—state
29 appropriation for fiscal year 2019, and \$608,000 of the general fund—
30 federal appropriation are provided solely for the authority to
31 contract with the University of Washington tele-pain pain management
32 program and pain management call center to advance primary care
33 provider knowledge of complex pain management issues, including
34 opioid addiction.

35 ~~((+vv+))~~ (ww) \$165,000 of the general fund—state appropriation
36 for fiscal year 2018, \$329,000 of the general fund—state
37 appropriation for fiscal year 2019, and \$604,000 of the general fund—
38 federal appropriation are provided solely for implementation of

1 chapter 202, Laws of 2017 (Engrossed Second Substitute House Bill No.
2 1713) (children's mental health).

3 ~~((+ww))~~ (xx) \$1,813,000 of the general fund—state appropriation
4 for fiscal year 2018, \$3,764,000 of the general fund—state
5 appropriation for fiscal year 2019, and \$12,930,000 of the general
6 fund—federal appropriation are provided solely for implementation of
7 chapter 110, Laws of 2017 (Second Substitute House Bill No. 1338)
8 (state health insurance pool).

9 ~~((+xx)—\$347,000))~~ (yy) \$68,000 of the general fund—state
10 appropriation for fiscal year 2018, ~~((+839,000))~~ \$1,118,000 of the
11 general fund—state appropriation for fiscal year 2019, and \$943,000
12 of the general fund—federal appropriation are provided solely for
13 implementation of chapter 198, Laws of 2017 (Substitute House Bill
14 No. 1520) (hospital payment methodology).

15 ~~((+yy))~~ (zz) Sufficient amounts are appropriated in this section
16 for the implementation of chapter 273, Laws of 2017 (Engrossed Second
17 Substitute House Bill No. 1358) (community asst. referral programs).

18 ~~((+zz))~~ (aaa) \$69,000 of the general fund—state appropriation
19 for fiscal year 2018, \$560,000 of the general fund—state
20 appropriation for fiscal year 2019, and \$308,000 of the general fund—
21 federal appropriation are provided solely for the authority to
22 implement, operate, and maintain a provider credentialing system and
23 are subject to the conditions, limitations, and review provided in
24 section 724 of this act. The authority, in collaboration with the
25 department of health, department of corrections, department of social
26 and health services, the public employees' benefits board, and the
27 department of labor and industries, shall work to ensure that a
28 single platform provider credentialing system is implemented. The
29 authority, departments, and board shall ensure that appropriate cost
30 offsets and cost avoidance are assumed for reduced staff time
31 required for provider credentialing activity and reductions in
32 improper billing activity when implementing provider credentialing
33 systems. The authority must enter into agreements with the department
34 of labor and industries and the public employees' benefits board to
35 pay their share of the costs of implementing and operating a new
36 provider credentialing system. The authority shall submit a report to
37 the office of financial management and appropriate committees of the
38 legislature outlining projected cost savings and cost avoidance no
39 later than December 1, 2018.

1 (bbb) \$100,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$400,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for the department and the
4 health care authority to enter into an interagency agreement to
5 contract with Washington autism alliance and advocacy (WAAA) to
6 educate and assist persons seeking the authority's services to
7 address a suspected or diagnosed autism spectrum disorder or
8 developmental disability related to autism spectrum disorder. The
9 department or the authority may refer such individuals to WAAA to
10 support them in navigating the health care system. The authority, in
11 collaboration with the department and the WAAA, shall submit a report
12 to the governor and the appropriate committees of the legislature by
13 December 15, 2018, and December 15, 2019, detailing how many persons
14 were referred to, how many persons received services from, and what
15 services were provided by the WAAA. The reports shall also include
16 what health care services the WAAA was able to connect the referred
17 persons to, the length of time these connections took, the type of
18 health coverage the person referred had at the time of referral and
19 whether alternate coverage was obtained.

20 (ccc) \$20,000 of the general fund—state appropriation for fiscal
21 year 2019 and \$20,000 of the general fund—federal appropriation are
22 provided solely for the authority, in partnership with the department
23 of social and health services and the department of health, to assist
24 a collaborative public-private entity with implementation of
25 recommendations in the state plan to address alzheimer's disease and
26 other dementias.

27 (ddd) \$5,825,000 of the general fund—state appropriation for
28 fiscal year 2019 and \$8,019,000 of the general fund—federal
29 appropriation are provided solely for an increase in primary care
30 provider rates for pediatric care services that are currently
31 reimbursed solely at the existing medical assistance rates that are
32 applicable for the child's medical assistance eligibility group.
33 These amounts are the maximum that the authority may spend for this
34 purpose. The authority must pursue a state plan amendment to increase
35 pediatric primary care provider and pediatric vaccine rates through
36 state directed payments through a permissible payment model. The
37 codes considered for these increases should follow those that were
38 used under the temporary increase provided in calendar years 2013 and
39 2014 as outlined in section 1202 of the affordable care act. Both

1 physician and nonphysician practitioners are eligible for these
2 increases and are not required to attest. Increases are based upon
3 eligible codes. The authority must provide a report to the governor
4 and appropriate committees of the legislature by November 1, 2019,
5 detailing how the amounts provided in this subsection were used, what
6 percentage increase was provided for pediatric primary care provider
7 evaluation and management rates, what percentage increase was
8 provided for pediatric vaccine rates, how utilization has changed
9 within each category, and how these rate increases have impacted
10 access to care.

11 (eee) \$50,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$100,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for the authority to conduct a
14 study to identify strategies for enhancing access to primary care for
15 medical assistance clients. The authority may collaborate with other
16 stakeholders as appropriate. The authority shall provide a report
17 with recommendations to the appropriate committees of the legislature
18 by December 1, 2018. The study shall, to the extent possible:

19 (i) Review the effect of the temporary rate increase provided as
20 part of the patient protection and affordable care act on:

21 (A) The number of providers serving medical assistance clients;

22 (B) The number of medical assistance clients receiving services;

23 and

24 (C) Utilization of primary care services.

25 (ii) Identify client barriers to accessing primary care services;

26 (iii) Identify provider barriers to accepting medical assistance
27 clients;

28 (iv) Identify strategies for incentivizing providers to accept
29 more medical assistance clients;

30 (v) Prioritize areas for investment that are likely to have the
31 most impact on increasing access to care; and

32 (vi) Strategically review the current medicaid rates and identify
33 specific areas and amounts that may promote access to care.

34 (fff) \$1,400,000 of the general fund—state appropriation for
35 fiscal year 2019 and \$3,900,000 of the general fund—federal
36 appropriation are provided solely to increase the rates paid to rural
37 hospitals that meet the criteria in (hhh)(i) through (iv) of this
38 subsection. Payments for state and federal medical assistance
39 programs for services provided by such a hospital, regardless of the

1 beneficiary's managed care enrollment status, must be increased to
2 one hundred fifty percent of the hospital's fee-for-service rates.
3 The authority must discontinue this rate increase after June 30,
4 2019, and return to the payment levels and methodology for these
5 hospitals that were in place as of January 1, 2018. Hospitals
6 participating in the certified public expenditures program may not
7 receive increased reimbursement for inpatient services. Hospitals
8 qualifying for this rate increase must:

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

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

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

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

17 (ggg) \$40,000 of the general fund—state appropriation for fiscal
18 year 2019 is provided solely to create a work group at the Robert
19 Bree collaborative to identify best practices for mental health
20 services regarding patient mental health treatment and patient
21 management. The work group shall identify best practices on patient
22 confidentiality, discharging patients, treating patients with
23 homicide ideation and suicide ideation, recordkeeping to decrease
24 variation in practice patterns in these areas, and other areas as
25 defined by the work group. The work group shall be composed of
26 clinical and administrative experts including psychologists,
27 psychiatrists, advanced practice psychiatric nurses, social workers,
28 marriage and family therapists, certified counselors, and mental
29 health counselors.

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

35 (iii) \$50,000 of the general fund—state appropriation for fiscal
36 year 2019 and \$50,000 of the general fund—federal appropriation are
37 provided solely for implementation of Engrossed Second Substitute
38 House Bill No. 2779 (children's mental health services). If the bill

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

3 (jjj) \$31,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$44,000 of the general fund—federal appropriation are
5 provided solely for implementation of chapter 303, Laws of 2017
6 (public records administration).

7 (kkk) \$358,000 of the general fund—state appropriation and
8 \$1,123,000 of the general fund—federal appropriation for fiscal year
9 2019 are provided solely for implementation of Engrossed Second
10 Substitute Senate Bill No. 5179 (hearing instrument coverage). If the
11 bill is not enacted by June 30, 2018, the amounts provided in this
12 subsection shall lapse.

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

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

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

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

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

34 (ii) The council shall include:

35 (A) One tribal liaison from each of the authorities; the
36 department of children, youth, and families; the department of
37 commerce; the department of corrections; the department of health;
38 the department of social and health services; the office of the

1 insurance commissioner; the office of the superintendent of public
2 instruction; and the Washington health benefit exchange;

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

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

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

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

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

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

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

25 (I) Two individuals representing the governor's office.

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

35 (iv) By December 1, 2018, the council, with assistance from the
36 authority, will submit a report to the governor and the appropriate
37 legislative committees with recommendations to raise the health
38 status of American Indians and Alaska Natives throughout Washington
39 state to at least the levels set forth in the goals contained within

1 the federal health people 2020 initiative or successor objectives,
2 including draft legislation and fiscal budgets for:

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

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

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

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

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

27 (F) Expanding tribal representation on state agency boards,
28 committees (including the emergency management council), and
29 nongovernmental entities to whom the state delegates activities or
30 tasks that directly impact the Indian health delivery system; and

31 (G) Other strategies to improve population health and increase
32 access to quality health care for American Indians and Alaska
33 Natives.

34 (nnn) \$139,000 of the general fund—state appropriation and
35 \$139,000 of the general fund—federal appropriation for fiscal year
36 2019 are provided solely for implementation of Substitute Senate Bill
37 No. 6549 (ABCD dental). If the bill is not enacted by June 30, 2018,
38 the amounts provided in this subsection shall lapse.

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

5 (2) PUBLIC EMPLOYEES' BENEFITS BOARD AND EMPLOYEE BENEFITS
6 PROGRAMS

7 State Health Care Authority Administration Account—

8 State Appropriation. ((\$42,061,000))
9 \$34,481,000

10 The appropriation in this subsection is subject to the following
11 conditions and limitations:

12 (a) The authority and the public employees' benefits board shall
13 consult with the Washington state institute for public policy on the
14 cost-effectiveness of the wellness plan and any changes to the plan
15 that can be made to increase the health care efficiency of the
16 wellness plan. The authority shall report its findings to the
17 governor and the appropriate committees of the legislature by October
18 15, 2018.

19 (b) The authority and the public employees' benefits board shall
20 ensure that procurement for employee health benefits during the
21 2019-2021 fiscal biennium is consistent with the funding limitations
22 provided in part 9 of this act.

23 (c) \$236,000 of the state health care authority administration
24 account—state appropriation for fiscal year 2018 and \$236,000 of the
25 state health care authority administration account—state
26 appropriation for fiscal year 2019 are provided solely to the
27 affordable care act employer shared responsibility project and are
28 subject to the conditions, limitations, and review provided in
29 section 724 of this act.

30 (d) All savings resulting from reduced claim costs or other
31 factors identified after December 31, 2016, must be reserved for
32 funding employee health benefits in the 2019-2021 fiscal biennium.
33 Any changes to benefits, including covered prescription drugs, must
34 be approved by the public employees' benefits board. Upon procuring
35 benefits for calendar years 2018 and 2019, the public employees'
36 benefits board shall: (1) Not consider any changes to benefits,
37 including prescription drugs, without considering comprehensive
38 analysis of the cost of those changes; and (2) not adopt a package of
39 benefits and premiums that results in a projected unrestricted

1 reserve funding level lower than was projected under the assumptions
2 made prior to procurement. For this purpose, assumptions means
3 projections about the levels of future claims, costs, enrollment and
4 other factors, prior to any changes in benefits. The certificates of
5 coverage agreed to by the health care authority for calendar years
6 2018 and 2019 must ensure that no increases in coverage of
7 prescription drugs, services, or other benefits may occur prior to
8 approval by the public employees' benefits board at the time of
9 procurement of benefits for the ensuing calendar year. The public
10 employees' benefits board may, within the funds provided, adopt a
11 virtual diabetes prevention program and adjust the waiting period for
12 dental crown replacement in the Uniform dental program to align with
13 the dental managed care plans.

14 (e) Within the amounts appropriated within this section, the
15 authority, in consultation with one Washington within the office of
16 financial management, the office of the chief information officer,
17 and other state agencies with statewide payroll or benefit systems,
18 shall prepare a report describing options for the replacement of the
19 Pay 1 information technology system. The report shall evaluate the
20 potential costs, benefits, and feasibility of integrating the
21 functions currently performed by Pay 1 into an existing or new
22 statewide system, as well for a stand-alone system. The report shall
23 also update the business and system requirements documents previously
24 developed for a Pay 1 replacement system. This report shall be
25 provided to the governor and appropriate committees of the
26 legislature by September 30, 2018.

27 ~~(f) ((\$8,000,000 of the health care authority administrative~~
28 ~~account state appropriation is provided solely for implementation of~~
29 ~~the school employees' benefits board until the new board commences~~
30 ~~provision of benefits on January 1, 2020. This expenditure shall be~~
31 ~~reimbursed to the health care authority administrative account from~~
32 ~~the newly created school employees' insurance administrative account~~
33 ~~after January 1, 2020.~~

34 ~~(g))~~ The public employees' benefits board, in collaboration with
35 the authority, shall work to ensure that a single platform provider
36 credentialing system is implemented. The authority and the board
37 shall ensure that appropriate cost offsets and cost avoidance are
38 assumed for reduced staff time required for provider credentialing
39 activity and reductions in improper billing activity when
40 implementing provider credentialing systems. The board must enter

1 into an agreement with the authority to pay its share of the costs of
2 implementing and operating a new provider credentialing system.

3 (3) SCHOOL EMPLOYEES' BENEFITS BOARD

4 School Employees' Insurance Administrative

5 Account—State Appropriation. \$28,730,000

6 The appropriation in this subsection is subject to the following
7 conditions and limitations: \$28,730,000 of the school employees'
8 insurance administrative account—state appropriation is provided
9 solely for implementation of the school employees' benefits board
10 until the new board commences provision of benefits on January 1,
11 2020. It is the intent of the legislature that the state health care
12 authority administration account be reimbursed for the appropriation
13 to this account made in part VII of this act, with interest.

14 (4) HEALTH BENEFIT EXCHANGE

15 General Fund—State Appropriation (FY 2018). \$5,184,000
16 General Fund—State Appropriation (FY 2019). ((~~\$5,184,000~~))
17 \$5,651,000
18 General Fund—Federal Appropriation. ((~~\$52,837,000~~))
19 \$53,892,000
20 Health Benefit Exchange Account—State Appropriation. ((~~\$56,736,000~~))
21 \$59,385,000
22 TOTAL APPROPRIATION. ((~~\$119,941,000~~))
23 \$124,112,000

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

26 (a) The receipt and use of medicaid funds provided to the health
27 benefit exchange from the health care authority are subject to
28 compliance with state and federal regulations and policies governing
29 the Washington apple health programs, including timely and proper
30 application, eligibility, and enrollment procedures.

31 (b)(i) By July 15th and January 15th of each year, the authority
32 shall make a payment of one-half the general fund—state appropriation
33 and one-half the health benefit exchange account—state appropriation
34 to the exchange.

35 (ii) For the 2017-2019 biennium, for the purpose of annually
36 calculating issuer assessments, exchange operational costs may
37 include up to three months of additional operating costs.

1 (iii) The exchange shall monitor actual to projected revenues and
2 make necessary adjustments in expenditures or carrier assessments to
3 ensure expenditures do not exceed actual revenues.

4 (iv) Payments made from general fund—state appropriation and
5 health benefit exchange account—state appropriation shall be
6 available for expenditure for no longer than the period of the
7 appropriation from which it was made. When the actual cost of
8 materials and services have been fully determined, and in no event
9 later than the lapsing of the appropriation, any unexpended balance
10 of the payment shall be returned to the authority for credit to the
11 fund or account from which it was made, and under no condition shall
12 expenditures exceed actual revenue.

13 (c) \$271,000 of the general fund—state appropriation for fiscal
14 year 2019 is provided solely for implementation of Engrossed Second
15 Substitute House Bill No. 2595 (automatic voter registration). If the
16 bill is not enacted by June 30, 2018, the amount provided in this
17 subsection shall lapse.

18 (d) \$196,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for implementation of Substitute Senate
20 Bill No. 5683 (Pacific Islander health care). If the bill is not
21 enacted by June 30, 2018, the amount provided in this subsection
22 shall lapse.

23 (5) COMMUNITY BEHAVIORAL HEALTH PROGRAM

| | |
|---|------------------------|
| 24 <u>General Fund—State Appropriation (FY 2019).</u> | <u>\$542,049,000</u> |
| 25 <u>General Fund—Federal Appropriation.</u> | <u>\$919,359,000</u> |
| 26 <u>General Fund—Private/Local Appropriation.</u> | <u>\$18,261,000</u> |
| 27 <u>Criminal Justice Treatment Account—State Appropriation.</u> | <u>\$6,490,000</u> |
| 28 <u>Problem Gambling Account—State Appropriation.</u> | <u>\$728,000</u> |
| 29 <u>Dedicated Marijuana Account—State</u> | |
| 30 <u>Appropriation (FY 2019).</u> | <u>\$28,486,000</u> |
| 31 <u>Pension Funding Stabilization Account—State</u> | |
| 32 <u>Appropriation.</u> | <u>\$857,000</u> |
| 33 <u>TOTAL APPROPRIATION.</u> | <u>\$1,516,230,000</u> |

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

36 (a) For the purposes of this subsection, amounts provided for
37 behavioral health organizations shall also be available for the
38 health care authority to contract with entities that assume the

1 responsibilities of behavioral health organizations in regions in
2 which the health care authority is purchasing medical and behavioral
3 health services through fully integrated contracts pursuant to RCW
4 71.24.380.

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

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

29 (d) \$1,760,000 of the general fund—federal appropriation is
30 provided solely for the authority to maintain a pilot project to put
31 peer bridging staff into each behavioral health organization as part
32 of the state psychiatric liaison teams to promote continuity of
33 service as individuals return to their communities.

34 (e) \$6,858,000 of the general fund—state appropriation for fiscal
35 year 2019 and \$4,023,000 of the general fund—federal appropriation
36 are provided solely for new crisis triage or stabilization centers.
37 The authority must seek proposals from behavioral health
38 organizations for the use of these funds based on regional
39 priorities. Services in these facilities may include crisis

1 stabilization and intervention, individual counseling, peer support,
2 medication management, education, and referral assistance. The
3 authority shall monitor each center's effectiveness at lowering the
4 rate of state psychiatric hospital admissions.

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

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

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

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

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

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

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

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

6 (i) \$1,204,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely to reimburse Pierce and Spokane counties
8 for the cost of conducting one hundred eighty-day commitment hearings
9 at the state psychiatric hospitals.

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

22 (k) \$2,291,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely for mental health services for mentally
24 ill offenders while confined in a county or city jail and for
25 facilitating access to programs that offer mental health services
26 upon release from confinement. The authority must collect information
27 from the behavioral health organizations on their plan for using
28 these funds, the numbers of individuals served, and the types of
29 services provided and submit a report to the office of financial
30 management and the appropriate fiscal committees of the legislature
31 by December 1st of each year of the biennium.

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

36 (m) The authority must establish minimum and maximum funding
37 levels for all reserves allowed under behavioral health organization
38 contracts and insert contract language that clearly states the
39 requirements and limitations. The authority must monitor and ensure
40 that behavioral health organization reserves do not exceed maximum

1 levels. The authority must monitor behavioral health organization
2 revenue and expenditure reports and must require a behavioral health
3 organization to submit a corrective action plan on how it will spend
4 its excess reserves within a reasonable period of time, when its
5 reported reserves exceed maximum levels established under the
6 contract. The authority must review and approve such plans and
7 monitor to ensure compliance. If the authority determines that a
8 behavioral health organization has failed to provide an adequate
9 excess reserve corrective action plan or is not complying with an
10 approved plan, the authority must reduce payments to the behavioral
11 health organization in accordance with remedial actions provisions
12 included in the contract. These reductions in payments must continue
13 until the authority determines that the behavioral health
14 organization has come into substantial compliance with an approved
15 excess reserve corrective action plan.

16 (n) \$3,079,000 of the general fund—state appropriation for fiscal
17 year 2019 and \$2,892,000 of the general fund—federal appropriation
18 are provided solely for the authority to increase rates for community
19 hospitals that provide a minimum of two hundred medicaid psychiatric
20 inpatient days. The authority must increase both medicaid and
21 nonmedicaid psychiatric per-diem reimbursement rates for these
22 providers within these amounts. The amounts in this subsection
23 include funding for additional hold harmless payments resulting from
24 the rate increase. The authority shall prioritize increases for
25 hospitals not currently paid based on provider specific costs using a
26 similar methodology used to set rates for existing inpatient
27 facilities and the latest available cost report information. Rate
28 increases for providers must be set so as not to exceed the amounts
29 provided within this subsection. The rate increase related to
30 nonmedicaid clients must be done to maintain the provider at the same
31 percentage as currently required under WAC 182-550-4800.

32 (o) \$100,000 of the general fund—state appropriation for fiscal
33 year 2019 is provided solely for the authority to collaborate with
34 tribal governments and develop a plan for establishing an evaluation
35 and treatment facility that will specialize in providing care
36 specifically to the American Indian and Alaska Native population. The
37 plan must include options for maximizing federal participation and
38 ensure that utilization will be based on medical necessity and

1 identify a specific geographic location where a tribal evaluation and
2 treatment facility will be built.

3 (p) \$7,103,000 of the general fund—state appropriation for fiscal
4 year 2019 and \$8,052,000 of the general fund—federal appropriation
5 are provided solely for the authority to contract with community
6 hospitals or freestanding evaluation and treatment centers to provide
7 up to forty-eight long-term inpatient care beds as defined in RCW
8 71.24.025. The authority must seek proposals and contract directly
9 for these services rather than contracting through behavioral health
10 organizations. The authority must not use any of the amounts provided
11 under this subsection for contracts with facilities that are subject
12 to federal funding restrictions that apply to institutions of mental
13 diseases, unless they have received a waiver that allows for full
14 federal participation in these facilities.

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

27 (r) \$6,744,000 of the general fund—state appropriation for fiscal
28 year 2019 and \$14,516,000 of the general fund—federal appropriation
29 are provided solely for the authority to increase medicaid capitation
30 payments for behavioral health organizations. The authority must work
31 with the actuaries responsible for certifying behavioral health
32 capitation rates to adjust average salary assumptions in order to
33 implement this increase. In developing further updates for medicaid
34 managed care rates for behavioral health services, the authority must
35 require the contracted actuaries to: (i) Review and consider
36 comparison of salaries paid by government agencies and hospitals that
37 compete with community providers for behavioral health workers in
38 developing salary assumptions; and (ii) review data to see whether a
39 specific travel assumption for high congestion areas is warranted.

1 The authority must include and make available all applicable
2 documents and analysis to legislative staff from the fiscal
3 committees throughout the process. The authority must require the
4 actuaries to develop and submit rate ranges for each behavioral
5 health organization prior to certification of specific rates.

6 (s) The number of beds allocated for use by behavioral health
7 organizations at eastern state hospital shall be one hundred ninety
8 two per day. The number of nonforensic beds allocated for use by
9 behavioral health organizations at western state hospital shall be
10 five hundred fifty-seven per day. In fiscal year 2019, the authority
11 must reduce the number of beds allocated for use by behavioral health
12 organizations at western state hospital by thirty beds to allow for
13 the repurposing of a civil ward at western state hospital to provide
14 forensic services. The contracted beds provided under (p) of this
15 subsection shall be allocated to the behavioral health organizations
16 in lieu of beds at the state hospitals and be incorporated in their
17 allocation of state hospital patient days of care for the purposes of
18 calculating reimbursements pursuant to RCW 71.24.310. It is the
19 intent of the legislature to continue the policy of expanding
20 community based alternatives for long term civil commitment services
21 that allow for state hospital beds to be prioritized for forensic
22 patients.

23 (t) \$11,405,000 of the general fund—state appropriation for
24 fiscal year 2019 and \$8,840,000 of the general fund—federal
25 appropriation are provided solely to maintain enhancements of
26 community mental health services. The authority must contract these
27 funds for the operation of community programs in which the authority
28 determines there is a need for capacity that allows individuals to be
29 diverted or transitioned from the state hospitals including but not
30 limited to: (i) Community hospital or free standing evaluation and
31 treatment services providing short-term detention and commitment
32 services under the involuntary treatment act to be located in the
33 geographic areas of the King behavioral health organization, the
34 Spokane behavioral health organization outside of Spokane county, and
35 the Thurston Mason behavioral health organization; (ii) one new full
36 program of an assertive community treatment team in the King
37 behavioral health organization and two new half programs of assertive
38 community treatment teams in the Spokane behavioral health
39 organization and the Pierce behavioral health organization; and (iii)
40 three new recovery support services programs in the Great Rivers

1 behavioral health organization, the greater Columbia behavioral
2 health organization, and the north sound behavioral health
3 organization. In contracting for community evaluation and treatment
4 services, the authority may not use these resources in facilities
5 that meet the criteria to be classified under federal law as
6 institutions for mental diseases. If the authority is unable to come
7 to a contract agreement with a designated behavioral health
8 organization for any of the services identified above, it may
9 consider contracting for that service in another region that has the
10 need for such service.

11 (u) \$1,296,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for clubhouse programs. The authority
13 shall ensure that \$400,000 is used for the biennium for support of
14 the Spokane clubhouse program and the remaining funds must be used
15 for support of new clubhouse programs. The authority must develop
16 options and cost estimates for implementation of clubhouse programs
17 statewide through a medicaid state plan amendment or a medicaid
18 waiver and submit a report to the office of financial management and
19 the appropriate committees of the legislature by December 1, 2018.

20 (v) \$213,000 of the general fund—state appropriation for fiscal
21 year 2019 is provided solely to fund one pilot project in Pierce
22 county and one in Yakima county to promote increased utilization of
23 assisted outpatient treatment programs. The authority shall require
24 two behavioral health organizations to contract with local government
25 to establish the necessary infrastructure for the programs. The
26 authority shall provide a report by October 15, 2018, to the office
27 of financial management and the appropriate fiscal and policy
28 committees of the legislature to include the number of individuals
29 served, outcomes to include reduced use of inpatient treatment and
30 state hospital stays, and recommendations for further implementation
31 based on lessons learned and best practices identified by the pilot
32 projects.

33 (w) \$3,278,000 of the dedicated marijuana account—state
34 appropriation for fiscal year 2019 is provided solely for a
35 memorandum of understanding with the department of social and health
36 services juvenile rehabilitation administration to provide substance
37 abuse treatment programs for juvenile offenders. Of the amounts
38 provided in this subsection (5)(w):

1 (i) \$1,130,000 of the dedicated marijuana account—state
2 appropriation for fiscal year 2019 is provided solely for alcohol and
3 substance abuse treatment programs for locally committed offenders.
4 The juvenile rehabilitation administration shall award these funds as
5 described in section 203(4) of this act.

6 (ii) \$282,000 of the dedicated marijuana account—state
7 appropriation for fiscal year 2019 is provided solely for the
8 expansion of evidence-based treatments and therapies as described in
9 section 203(2) of this act.

10 (x) During fiscal year 2019, any amounts provided in this section
11 that are used for case management services for pregnant and parenting
12 women must be contracted directly between the authority and providers
13 rather than through contracts with behavioral health organizations.

14 (y) Within the amounts appropriated in this section, the
15 authority may contract with the University of Washington and
16 community-based providers for the provision of the parent-child
17 assistance program or other specialized chemical dependency case
18 management providers for pregnant, post-partum, and parenting women.
19 For all contractors: (i) Service and other outcome data must be
20 provided to the authority by request; and (ii) indirect charges for
21 administering the program must not exceed ten percent of the total
22 contract amount.

23 (z) \$1,750,000 of the general fund—federal appropriation (from
24 the substance abuse prevention and treatment federal block grant) is
25 provided solely for the continued funding of existing county drug and
26 alcohol use prevention programs.

27 (aa) \$200,000 of the dedicated marijuana account—state
28 appropriation for fiscal year 2019 is provided solely for a contract
29 with the Washington state institute for public policy to conduct
30 cost-benefit evaluations of the implementation of chapter 3, Laws of
31 2013 (Initiative Measure No. 502).

32 (bb) \$500,000 of the dedicated marijuana account—state
33 appropriation for fiscal year 2019 is provided solely to design and
34 administer the Washington state healthy youth survey and the
35 Washington state young adult behavioral health survey.

36 (cc) \$396,000 of the dedicated marijuana account—state
37 appropriation for fiscal year 2019 is provided solely for maintaining
38 increased services to pregnant and parenting women provided through
39 the parent child assistance program.

1 (dd) \$250,000 of the dedicated marijuana account—state
2 appropriation for fiscal year 2019 is provided solely for a grant to
3 the office of superintendent of public instruction to provide life
4 skills training to children and youth in schools that are in high
5 needs communities.

6 (ee) \$386,000 of the dedicated marijuana account—state
7 appropriation for fiscal year 2019 is provided solely to maintain
8 increased prevention and treatment services provided by tribes and
9 federally recognized American Indian organizations to children and
10 youth.

11 (ff) \$2,684,000 of the dedicated marijuana account—state
12 appropriation for fiscal year 2019 and \$950,000 of the general fund—
13 federal appropriation are provided solely to maintain increased
14 residential treatment services for children and youth.

15 (gg) \$250,000 of the dedicated marijuana account—state
16 appropriation for fiscal year 2019 is provided solely for training
17 and technical assistance for the implementation of evidence based,
18 research based, and promising programs which prevent or reduce
19 substance use disorders.

20 (hh) \$2,434,000 of the dedicated marijuana account—state
21 appropriation for fiscal year 2019 is provided solely for expenditure
22 into the home visiting services account.

23 (ii) \$2,500,000 of the dedicated marijuana account—state
24 appropriation for fiscal year 2019 is provided solely for grants to
25 community-based programs that provide prevention services or
26 activities to youth, including programs for school-based resource
27 officers. These funds must be utilized in accordance with RCW
28 69.50.540.

29 (jj) Within the amounts provided in this section, behavioral
30 health organizations must provide outpatient chemical dependency
31 treatment for offenders enrolled in the medicaid program who are
32 supervised by the department of corrections pursuant to a term of
33 community supervision. Contracts with behavioral health organizations
34 must require that behavioral health organizations include in their
35 provider network specialized expertise in the provision of
36 manualized, evidence-based chemical dependency treatment services for
37 offenders. The department of corrections and the authority must
38 develop a memorandum of understanding for department of corrections
39 offenders on active supervision who are medicaid eligible and meet

1 medical necessity for outpatient substance use disorder treatment.
2 The agreement will ensure that treatment services provided are
3 coordinated, do not result in duplication of services, and maintain
4 access and quality of care for the individuals being served. The
5 authority must provide all necessary data, access, and reports to the
6 department of corrections for all department of corrections offenders
7 that receive medicaid paid services.

8 (kk) \$562,000 of the general fund—federal appropriation is
9 provided solely for the authority to develop a memorandum of
10 understanding with the department of health for implementation of
11 chapter 297, Laws of 2017 (ESHB 1427) (opioid treatment programs).
12 The authority must use these amounts to reimburse the department of
13 health for costs incurred through the implementation of the bill.

14 (ll) \$2,580,000 of the general fund—state appropriation for
15 fiscal year 2019 and \$2,320,000 of the general fund—federal
16 appropriation are provided solely for the development and operation
17 of two secure detoxification facilities. The authority must not use
18 any of these amounts for services in facilities that are subject to
19 federal funding restrictions that apply to institutions for mental
20 diseases, unless they have received a waiver that allows for full
21 federal participation in these facilities.

22 (mm) \$100,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely for parenting education services focused
24 on pregnant and parenting women.

25 (nn) Within existing appropriations, the authority shall
26 prioritize the prevention and treatment of intravenous opiate-based
27 drug use.

28 (oo) The criminal justice treatment account—state appropriation
29 is provided solely for treatment and treatment support services for
30 offenders with a substance use disorder pursuant to RCW 71.24.580.
31 The authority must offer counties the option to administer their
32 share of the distributions provided for under RCW 71.24.580(5)(a). If
33 a county is not interested in administering the funds, the authority
34 shall contract with a behavioral health organization or
35 administrative services organization to administer these funds
36 consistent with the plans approved by local panels pursuant to RCW
37 71.24.580(5)(b). The authority must provide a report to the office of
38 financial management and the appropriate committees of the

1 legislature which identifies the distribution of criminal justice
2 treatment account funds by September 30, 2018.

3 (pp) \$23,090,000 of the general fund—state appropriation for
4 fiscal year 2019 and \$46,222,000 of the general fund—federal
5 appropriation are provided solely for the enhancement of community-
6 based behavioral health services. This funding must be allocated to
7 behavioral health organizations proportionate to their regional
8 population. In order to receive these funds, each region must submit
9 a plan to address the following issues: (i) Reduction in their use of
10 long-term commitment beds through community alternatives; (ii)
11 compliance with RCW 71.05.365 requirements for transition of state
12 hospital patients into community settings within fourteen days of the
13 determination that they no longer require active psychiatric
14 treatment at an inpatient level of care; (iii) improvement of staff
15 recruitment and retention in community behavioral health facilities;
16 (iv) diversion of individuals with behavioral health issues from the
17 criminal justice system; and (v) efforts to improve recovery oriented
18 services, including, but not limited to, expansion of clubhouse
19 models. The plans are not limited to the amounts in this subsection
20 and may factor in all resources available for behavioral health. The
21 authority must identify metrics for tracking progress in each of the
22 areas identified. The authority must collect information on the
23 metrics and outcomes and submit a report summarizing the findings to
24 the office of financial management and the appropriate committees of
25 the legislature by June 30, 2020. Twenty percent of the general fund—
26 state appropriation amounts for each behavioral health organization
27 must be used to increase their nonmedicaid funding and the remainder
28 must be used to increase medicaid rates up to but not exceeding the
29 top of each behavioral health organizations medicaid rate range.

30 (qq) \$11,023,000 of the general fund—state appropriation for
31 fiscal year 2019 is provided solely to assist behavioral health
32 organizations with the costs of providing services to medicaid
33 clients receiving services in psychiatric facilities classified as
34 institutions of mental diseases. The authority must distribute these
35 amounts proportionate to the number of bed days for medicaid clients
36 in institutions for mental diseases that were excluded from
37 behavioral health organization fiscal year 2019 capitation rates
38 because they exceeded the amounts allowed under federal regulations.
39 The authority must also use these amounts to directly pay for costs

1 that are ineligible for medicaid reimbursement in institutions of
2 mental disease facilities for American Indian and Alaska Natives who
3 opt to receive behavioral health services on a fee-for-service basis.
4 The amounts used for these individuals must be reduced from the
5 allocation of the behavioral health organization where the individual
6 resides. If a behavioral health organization receives more funding
7 through this subsection than is needed to pay for the cost of their
8 medicaid clients in institutions for mental diseases, they must use
9 the remainder of the amounts to provide other services not covered
10 under the medicaid program. The authority must explore options for
11 continuing to expand waivers which allow for federal matching funds
12 to be used in these facilities. The authority must submit a report on
13 the status of the waiver to the office of financial management and
14 the appropriate committees of the legislature by December 1, 2018.

15 (rr) \$14,500,000 of the general fund—state appropriation for
16 fiscal year 2019 is provided solely to ensure a smooth transition to
17 integrated managed care for behavioral health regions and to maintain
18 the existing level of regional behavioral health crisis and diversion
19 programs, and other required behavioral health administrative service
20 organization services. These amounts must be used to support the
21 regions transitioning to become mid-adopters for full integration of
22 physical and behavioral health care. These amounts must be
23 distributed proportionate to the population of each regional area
24 covered. The maximum amount allowed per region is \$3,175 per 1,000
25 residents. These amounts must be used to provide a reserve for
26 nonmedicaid services in the region and to stabilize the new crisis
27 services system. The authority must require all behavioral health
28 organizations transitioning to full integration to either spend down
29 or return all reserves in accordance with contract requirements and
30 federal and state law. Behavioral health organization reserves may
31 not be used to pay for services to be provided beyond the end of a
32 behavioral health organization's contract or for start-up costs in
33 full integration regions. The authority must ensure that any
34 increases in expenditures in behavioral health reserve spend-down
35 plans are required for the operation of services during the contract
36 period and do not result in overpayment to providers.

37 (ss) \$806,000 of the general fund—federal appropriation is
38 provided solely for the authority to develop a peer support program
39 for individuals with substance use disorders. These amounts must be
40 used for development of training and certification of peers

1 specialists. The authority must submit a state plan amendment which
2 provides for these services to be included in behavioral health
3 capitation rates beginning in fiscal year 2020 and allows for federal
4 matching funds to be leveraged for these services.

5 (tt) \$200,000 of the general fund—state appropriation for fiscal
6 year 2019 is provided solely for the authority, in collaboration with
7 the department of social and health services, to further develop
8 efforts to shift funding and risk for most civil long-term inpatient
9 commitments into fully integrated care contracts beginning in January
10 2020. The funding and risk for patients at the state hospitals who
11 have been committed pursuant to dismissal of felony charges after
12 being determined incompetent to stand trial shall not be incorporated
13 into integrated care contracts.

14 (i) By December 1, 2018, the authority, in coordination with the
15 department of social and health services, must submit a report to the
16 office of financial management and the appropriate committees of the
17 legislature on the following: (A) Actuarial estimates on the impact
18 to per member per month payments and estimated annual state and
19 federal costs for medicaid managed care organizations with fully
20 integrated contracts; (B) actuarial estimates on the estimated annual
21 costs for administrative services organizations; (C) estimates of the
22 per-diem cost at the state hospitals that will be charged to entities
23 with responsibility for paying for long-term civil inpatient
24 commitments once these are incorporated into fully integrated care
25 contracts; and (D) estimates of the amount of funding that can be
26 reduced from direct appropriations for the state hospitals to reflect
27 the shift in financial responsibility.

28 (ii) The authority must also explore and report on options for
29 fully leveraging the state's share of federal medicaid
30 disproportionate share funding allowed for institutions of mental
31 diseases, including but not limited to: (A) Prioritizing the use of
32 this funding for forensic patients and those civilly committed
33 pursuant to dismissal of a felony charge; (B) obtaining an
34 institution for mental diseases—disproportionate share hospital
35 waiver to allow for regular medicaid federal financial participation
36 to be used at the state hospitals; and (C) shifting some of the
37 state's current disproportionate share funding used at the state
38 hospitals to community-based institutions for mental diseases to
39 reduce the state cost of patients for whom regular federal medicaid
40 match is not allowed.

1 (uu) \$2,732,000 of the general fund—state appropriation for
2 fiscal year 2019 and \$9,026,000 of the general fund—federal
3 appropriation are provided solely for the authority to implement
4 strategies to improve access to prevention and treatment of opioid
5 use disorders. The authority may use these funds for the following
6 activities: (i) Expansion of hub and spoke treatment networks; (ii)
7 expansion of pregnant and parenting case management programs; (iii)
8 grants to tribes to prevent opioid use and expand treatment for
9 opioid use disorders; (iv) development and implementation of a tool
10 to track medication assisted treatment provider capacity; (v) support
11 of drug take-back programs which allow individuals to return unused
12 opioids and other drugs for safe disposal; (vi) purchase and
13 distribution of opioid reversal medication; and (vii) maintaining
14 support for youth prevention services. The authority must coordinate
15 these activities with the department of health to avoid duplication
16 of effort and must work to identify additional federal resources that
17 can be used to maintain and expand these efforts. The authority must
18 submit a report to the office of financial management and the
19 appropriate committees of the legislature on the status of these
20 efforts by December 1, 2018. The report must include identification
21 of any increase in behavioral health federal block grants or other
22 federal funding awards received by the authority and the plan for the
23 use of these funds.

24 (vv) \$150,000 of the general fund—state appropriation for fiscal
25 year 2019 is provided solely for the authority to contract with
26 actuaries to develop estimates for the cost of implementing new
27 behavioral health service types in the medicaid state plan. The
28 authority must coordinate with behavioral health organizations to
29 identify: (i) Eligible behavioral health service types that are
30 currently provided to medicaid enrollees without federal funding and
31 are dependent on state, local, or other funds; and (ii) eligible
32 behavioral health service types that are not currently available to
33 medicaid enrollees due to the lack of federal funding. The authority
34 must contract with the actuaries responsible for certifying state
35 behavioral health capitation rates to develop estimates for the cost
36 of implementing each of these services. The estimates must identify
37 the cost of implementing each service statewide, the estimated state
38 and federal medicaid cost, and any estimated offset in state non-
39 medicaid spending. The authority must submit a report to the office

1 of financial management and the appropriate committees of the
2 legislature identifying the services and costs estimates by November
3 1, 2018.

4 (ww) \$446,000 of the general fund—state appropriation for fiscal
5 year 2019 and \$89,000 of the general fund—federal appropriation are
6 provided solely for the University of Washington's evidence-based
7 practice institute which supports the identification, evaluation, and
8 implementation of evidence-based or promising practices. The
9 institute must work with the authority to develop a plan to seek
10 private, federal, or other grant funding in order to reduce the need
11 for state general funds. The authority must collect information from
12 the institute on the use of these funds and submit a report to the
13 office of financial management and the appropriate fiscal committees
14 of the legislature by December 1st of each year of the biennium.

15 (xx) No more than \$13,098,000 of the general fund—federal
16 appropriation may be expended for supported housing and employment
17 services described in initiative 3a and 3b of the medicaid
18 transformation demonstration waiver under healthier Washington. Under
19 this initiative, the department and the health care authority shall
20 ensure that allowable and necessary services are provided to eligible
21 clients as identified by the department or its providers or third
22 party administrator. The department and the authority in consultation
23 with the medicaid forecast work group, shall ensure that reasonable
24 reimbursements are established for services deemed necessary within
25 an identified limit per individual. The department shall not increase
26 general fund—state expenditures under this initiative. The secretary
27 in collaboration with the director of the authority shall report to
28 the joint select committee on health care oversight no less than
29 quarterly on financial and health outcomes. The secretary in
30 cooperation with the director shall also report to the fiscal
31 committees of the legislature all of the expenditures of this
32 subsection and shall provide such fiscal data in the time, manner,
33 and form requested by the legislative fiscal committees.

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

1 (zz) \$727,000 of the general fund—state appropriation for fiscal
2 year 2019 and \$1,005,000 of the general fund—federal appropriation
3 are provided solely to implement Engrossed Substitute Senate Bill No.
4 6491 (outpatient behavioral health). If the bill is not enacted by
5 June 30, 2018, the amounts provided in this subsection shall lapse.

6 **Sec. 214.** 2017 3rd sp.s. c 1 s 214 (uncodified) is amended to
7 read as follows:

8 **FOR THE HUMAN RIGHTS COMMISSION**

| | | | |
|----|--|-----------|------------------------------|
| 9 | General Fund—State Appropriation (FY 2018) | | ((\$2,317,000)) |
| 10 | | | <u>\$2,224,000</u> |
| 11 | General Fund—State Appropriation (FY 2019) | | ((\$2,359,000)) |
| 12 | | | <u>\$2,293,000</u> |
| 13 | General Fund—Federal Appropriation | | ((\$2,427,000)) |
| 14 | | | <u>\$2,422,000</u> |
| 15 | <u>Pension Funding Stabilization Account—State</u> | | |
| 16 | <u>Appropriation.</u> | | \$190,000 |
| 17 | TOTAL APPROPRIATION. | | ((\$7,103,000)) |
| 18 | | | <u>\$7,129,000</u> |

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

25 **Sec. 215.** 2017 3rd sp.s. c 1 s 215 (uncodified) is amended to
26 read as follows:

27 **FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

| | | | |
|----|--|-----------|-------------------------------|
| 28 | Worker and Community Right-to-Know Account—State | | |
| 29 | Appropriation | | \$10,000 |
| 30 | Accident Account—State Appropriation | | ((\$22,437,000)) |
| 31 | | | <u>\$22,565,000</u> |
| 32 | Medical Aid Account—State Appropriation | | ((\$22,438,000)) |
| 33 | | | <u>\$22,566,000</u> |
| 34 | TOTAL APPROPRIATION. | | ((\$44,885,000)) |
| 35 | | | <u>\$45,141,000</u> |

1 The appropriations in this section are subject to the following
 2 conditions and limitations: \$145,000 of the accident account—state
 3 appropriation for fiscal year 2019 and \$145,000 of the medical aid
 4 account—state for fiscal year 2019 are provided solely for
 5 implementation of Substitute House Bill No. 1723 (Hanford
 6 occupational disease). If the bill is not enacted by June 30, 2018,
 7 the amounts provided in this subsection shall lapse.

8 **Sec. 216.** 2017 3rd sp.s. c 1 s 216 (uncodified) is amended to
 9 read as follows:

10 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

| | | |
|----|--|-------------------------------|
| 11 | General Fund—State Appropriation (FY 2018) | ((\$21,703,000)) |
| 12 | | <u>\$21,668,000</u> |
| 13 | General Fund—State Appropriation (FY 2019) | ((\$20,705,000)) |
| 14 | | <u>\$23,139,000</u> |
| 15 | General Fund—Private/Local Appropriation | ((\$5,905,000)) |
| 16 | | <u>\$6,673,000</u> |
| 17 | Death Investigations Account—State Appropriation | \$148,000 |
| 18 | Municipal Criminal Justice Assistance Account—State | |
| 19 | Appropriation | \$460,000 |
| 20 | <u>Pension Funding Stabilization Account—State</u> | |
| 21 | <u>Appropriation.</u> | <u>\$460,000</u> |
| 22 | Washington Auto Theft Prevention Authority Account—State | |
| 23 | Appropriation | \$8,167,000 |
| 24 | 24/7 Sobriety Account—State Appropriation | ((\$30,000)) |
| 25 | | <u>\$20,000</u> |
| 26 | TOTAL APPROPRIATION. | ((\$57,118,000)) |
| 27 | | <u>\$60,735,000</u> |

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

30 (1) \$5,000,000 of the general fund—state appropriation for fiscal
 31 year 2018 and \$5,000,000 of the general fund—state appropriation for
 32 fiscal year 2019, are provided to the Washington association of
 33 sheriffs and police chiefs solely to verify the address and residency
 34 of registered sex offenders and kidnapping offenders under RCW
 35 9A.44.130. The association may use no more than \$50,000 per fiscal
 36 year of the amounts provided on program management activities.

1 (2) \$1,284,000 of the general fund—state appropriation for fiscal
2 year 2018 and (~~(\$1,283,000)~~) \$1,546,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for seventy-
4 five percent of the costs of providing six additional statewide basic
5 law enforcement trainings in (~~each~~) fiscal year 2018, and seven
6 additional statewide basic law enforcement trainings in fiscal year
7 2019. The criminal justice training commission must schedule its
8 funded classes to minimize wait times throughout each fiscal year and
9 meet statutory wait time requirements.

10 (3) (~~(\$745,000)~~) \$792,000 of the general fund—local appropriation
11 is provided solely to purchase ammunition for the basic law
12 enforcement academy. Jurisdictions shall reimburse to the criminal
13 justice training commission the costs of ammunition, based on the
14 average cost of ammunition per cadet, for cadets that they enroll in
15 the basic law enforcement academy.

16 (4) The criminal justice training commission may not run a basic
17 law enforcement academy class of fewer than 30 students.

18 (5) \$100,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$100,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for a school safety program. The
21 commission, in collaboration with the school safety center advisory
22 committee, shall provide the school safety training for all school
23 administrators and school safety personnel hired after the effective
24 date of this section.

25 (6) \$96,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$96,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the school safety center
28 within the commission. The safety center shall act as an information
29 dissemination and resource center when an incident occurs in a school
30 district in Washington or in another state, coordinate activities
31 relating to school safety, and review and approve manuals and
32 curricula used for school safety models and training. Through an
33 interagency agreement, the commission shall provide funding for the
34 office of the superintendent of public instruction to continue to
35 develop and maintain a school safety information web site. The school
36 safety center advisory committee shall develop and revise the
37 training program, using the best practices in school safety, for all
38 school safety personnel. The commission shall provide research-

1 related programs in school safety and security issues beneficial to
2 both law enforcement and schools.

3 (7) \$146,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$146,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for the costs of providing
6 statewide advanced driving training with the use of a driving
7 simulator.

8 (8) \$679,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$587,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for implementation of chapter
11 261, Laws of 2017 (SHB 1501) (attempts to obtain firearms).

12 (9) \$57,000 of the general fund—state appropriation for fiscal
13 year 2018 is provided solely for implementation of chapter 295, Laws
14 of 2017 (SHB 1258) (first responders/disability).

15 (10) \$198,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$414,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for implementation of chapter
18 290, Laws of 2017 (ESHB 1109) (victims of sexual assault).

19 (11) \$117,000 of the general fund—state appropriation for fiscal
20 year 2018, \$117,000 of the general fund—state appropriation for
21 fiscal year 2019, and \$1,000,000 of the Washington auto theft
22 prevention account—state appropriation are provided solely for the
23 first responder building mapping information system.

24 (12) \$595,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$595,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely to continue crisis intervention
27 training required in chapter 87, Laws of 2015.

28 (13) \$250,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$250,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for the criminal justice
31 training commission to deliver research-based programs to instruct,
32 guide, and support local law enforcement agencies in fostering the
33 "guardian philosophy" of policing, which emphasizes de-escalating
34 conflicts and reducing the use of force.

35 (14) \$429,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$429,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for expenditure into the
38 nonappropriated Washington internet crimes against children account
39 for the implementation of chapter 84, Laws of 2015.

1 (15) \$842,000 of the general fund—state appropriation for fiscal
2 year 2018 and (~~(\$353,000)~~) \$1,260,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for the
4 purpose of creating and funding on an ongoing basis the: (a) Updating
5 and providing of basic and in-service training for peace officers and
6 corrections officers that emphasizes de-escalation and use of less
7 lethal force; and (b) creation and provision of an evidence-based
8 leadership development program, in partnership with Microsoft, that
9 trains, equips, and supports law enforcement leaders using research-
10 based strategies to reduce crime and improve public trust. Of the
11 amounts appropriated in this subsection, \$907,000 of the general fund
12 —state appropriation for fiscal year 2019 is provided solely for the
13 training in (a) of this subsection.

14 (16) \$100,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$100,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely to the Washington association of
17 sheriffs and police chiefs to fund pilot projects in Benton county to
18 support local law enforcement education for law enforcement, medical
19 professionals, first responders, courts, educators, and others to
20 raise awareness and identifying warning signs of human trafficking.
21 Any educational opportunities created through the pilot projects in
22 Benton county may provide access for adjacent counties if resources
23 and availability permits.

24 (17) \$500,000 of the general fund—state appropriation for fiscal
25 year 2018 is provided solely to the Washington association of
26 sheriffs and police chiefs to administer statewide training in the
27 use of the Washington state gang database, established in compliance
28 with RCW 43.43.762, and provide grant funding to ensure agencies
29 enter appropriate and reliable data into the database. The training
30 shall develop professionals with regional responsibilities for
31 database administration throughout the state.

32 (18) \$1,000,000 of the general fund—state appropriation for
33 fiscal year 2019 is provided solely for providing grants for the
34 mental health field response team grant program established in House
35 Bill No. 2892 (mental health field response). If the bill is not
36 enacted by June 30, 2018, the amount provided in this subsection
37 shall lapse.

38 (19) \$176,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the implementation of Substitute

1 House Bill No. 1022 (crime victim participation). If the bill is not
2 enacted by June 30, 2018, the amount provided in this subsection
3 shall lapse.

4 (20) \$50,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely for the Washington association of
6 sheriffs and police chiefs to convene a work group to develop
7 strategies for identification and intervention against potential
8 perpetrators of mass shootings, with an emphasis on school safety,
9 and report on recommendations for their prevention.

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

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

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

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

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

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

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

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

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

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

1 **Sec. 217.** 2017 3rd sp.s. c 1 s 217 (uncodified) is amended to
2 read as follows:

3 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

| | | | |
|----|---|-----------|--------------------------------|
| 4 | General Fund—State Appropriation (FY 2018) | | ((\$7,671,000)) |
| 5 | | | <u>\$6,513,000</u> |
| 6 | General Fund—State Appropriation (FY 2019) | | ((\$8,897,000)) |
| 7 | | | <u>\$9,285,000</u> |
| 8 | General Fund—Federal Appropriation | | \$11,876,000 |
| 9 | Asbestos Account—State Appropriation | | ((\$527,000)) |
| 10 | | | <u>\$526,000</u> |
| 11 | Electrical License Account—State Appropriation | | ((\$52,100,000)) |
| 12 | | | <u>\$53,776,000</u> |
| 13 | Farm Labor Contractor Account—State Appropriation | | \$28,000 |
| 14 | Worker and Community Right-to-Know Account—State | | |
| 15 | Appropriation | | ((\$993,000)) |
| 16 | | | <u>\$991,000</u> |
| 17 | Public Works Administration Account—State | | |
| 18 | Appropriation | | ((\$6,303,000)) |
| 19 | | | <u>\$9,849,000</u> |
| 20 | Manufactured Home Installation Training | | |
| 21 | Account—State Appropriation | | ((\$378,000)) |
| 22 | | | <u>\$377,000</u> |
| 23 | Accident Account—State Appropriation | | ((\$320,314,000)) |
| 24 | | | <u>\$320,925,000</u> |
| 25 | Accident Account—Federal Appropriation | | \$16,765,000 |
| 26 | Medical Aid Account—State Appropriation | | ((\$333,053,000)) |
| 27 | | | <u>\$334,083,000</u> |
| 28 | Medical Aid Account—Federal Appropriation | | \$3,739,000 |
| 29 | Plumbing Certificate Account—State Appropriation | | ((\$1,882,000)) |
| 30 | | | <u>\$1,880,000</u> |
| 31 | Pressure Systems Safety Account—State Appropriation | | ((\$4,442,000)) |
| 32 | | | <u>\$4,433,000</u> |
| 33 | Construction Registration Inspection Account—State | | |
| 34 | Appropriation | | ((\$19,128,000)) |
| 35 | | | <u>\$20,945,000</u> |
| 36 | <u>Pension Funding Stabilization Account—State</u> | | |
| 37 | <u>Appropriation</u> | | <u>\$1,435,000</u> |
| 38 | TOTAL APPROPRIATION | | ((\$788,096,000)) |
| 39 | | | <u>\$797,426,000</u> |

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

3 ~~((+3))~~ (1) \$123,000 of the accident account—state appropriation
4 and \$22,000 of the medical aid—state appropriation are provided
5 solely for implementation of chapter 150, Laws of 2017 (House Bill
6 No. 1906) (farm internship).

7 ~~((+4))~~ (2) The department, in collaboration with the health care
8 authority, shall work to ensure that a single platform provider
9 credentialing system is implemented. The authority and department
10 shall ensure that appropriate cost offsets and cost avoidance are
11 assumed for reduced staff time required for provider credentialing
12 activity and reductions in improper billing activity when
13 implementing provider credentialing systems. The department must
14 enter into an agreement with the health care authority to pay its
15 share of the costs of implementing and operating a new provider
16 credentialing system.

17 ~~((+5) \$6,124,000)~~ (3) \$5,802,000 of the accident account—state
18 appropriation and ~~((+5,989,000))~~ \$5,676,000 of the medical aid
19 account—state appropriation are provided solely for business
20 transformation projects and are subject to the conditions,
21 limitations, and review provided in section 724 of this act.

22 ~~((+6))~~ (4) \$19,128,000 of the construction registration
23 inspection account—state appropriation is provided solely to
24 implement House Bill No. 1716 (construction inspection account). If
25 the bill is not enacted by July 31, 2017, the amounts provided in
26 this subsection shall lapse.

27 ~~((+7))~~ (5) \$2,000,000 of the accident account—state
28 appropriation and \$2,000,000 of the medical account—state
29 appropriation are provided solely for a contract with a workforce
30 institute to provide supplemental instruction for information
31 technology apprentices. Funds spent for this purpose must be matched
32 by an equal amount of funding from the information technology
33 industry members, except small and mid-sized employers. Up to
34 \$2,000,000 may be spent to provide supplemental instruction for
35 apprentices at small and mid-sized businesses. "Small and mid-sized
36 employers" means those that have fewer than one hundred employees or
37 have less than five percent net profitability.

38 (6) \$250,000 of the medical aid account—state appropriation and
39 \$250,000 of the accident account—state appropriation are provided

1 solely for the department of labor and industries safety and health
2 assessment and research for prevention program to conduct research to
3 address the high injury rates of the janitorial workforce. The
4 research must quantify the physical demands of common janitorial work
5 tasks and assess the safety and health needs of janitorial workers.
6 The research must also identify potential risk factors associated
7 with increased risk of injury in the janitorial workforce and measure
8 workload based on the strain janitorial work tasks place on janitors'
9 bodies. The department must conduct interviews with janitors and
10 their employers to collect information on risk factors, identify the
11 tools, technologies, and methodologies used to complete work, and
12 understand the safety culture and climate of the industry. The
13 department must issue an initial report to the legislature, by June
14 30, 2020, assessing the physical capacity of workers in the context
15 of the industry's economic environment and ascertain usable support
16 tools for employers and workers to decrease risk of injury. After the
17 initial report, the department must produce annual progress reports,
18 beginning in 2021 through the year 2022 or until the tools are fully
19 developed and deployed. The annual progress reports must be submitted
20 to the legislature by December 1st of each year such reports are due.

21 (7) \$1,272,000 of the public works administration account—state
22 appropriation is provided solely to implement Engrossed Second
23 Substitute House Bill No. 1673 (responsible bidder criteria). If the
24 bill is not enacted by June 30, 2018, the amount provided in this
25 subsection shall lapse.

26 (8) \$185,000 of the accident account—state appropriation and
27 \$185,000 of the medical aid account—state appropriation are provided
28 solely to implement Substitute House Bill No. 1723 (Hanford/
29 occupational disease). If the bill is not enacted by June 30, 2018,
30 the amounts provided in this subsection shall lapse.

31 (9) \$422,000 of the medical aid account—state appropriation is
32 provided solely to implement Second Substitute Senate Bill No. 6245
33 (spoken language interpreters). If the bill is not enacted by June
34 30, 2018, the amount provided in this subsection shall lapse.

35 (10) \$51,000 of the medial aid account—state appropriation and
36 \$50,000 of the accident account—state appropriation are provided
37 solely for the implementation of Substitute House Bill No. 1022
38 (crime victim participation). If the bill is not enacted by June 30,
39 2018, the amounts provided in this subsection shall lapse.

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

3 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

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

6 (a) The department of veterans affairs shall not initiate any
7 services that will require expenditure of state general fund moneys
8 unless expressly authorized in this act or other law. The department
9 may seek, receive, and spend, under RCW 43.79.260 through 43.79.282,
10 federal moneys not anticipated in this act as long as the federal
11 funding does not require expenditure of state moneys for the program
12 in excess of amounts anticipated in this act. If the department
13 receives unanticipated unrestricted federal moneys, those moneys must
14 be spent for services authorized in this act or in any other
15 legislation that provides appropriation authority, and an equal
16 amount of appropriated state moneys shall lapse. Upon the lapsing of
17 any moneys under this subsection, the office of financial management
18 shall notify the legislative fiscal committees. As used in this
19 subsection, "unrestricted federal moneys" includes block grants and
20 other funds that federal law does not require to be spent on
21 specifically defined projects or matched on a formula basis by state
22 funds.

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

33 (2) HEADQUARTERS

| | | |
|----|--|--------------------------|
| 34 | General Fund—State Appropriation (FY 2018) | (\$2,004,000) |
| 35 | | <u>\$1,913,000</u> |
| 36 | General Fund—State Appropriation (FY 2019) | (\$1,997,000) |
| 37 | | <u>\$1,907,000</u> |
| 38 | Charitable, Educational, Penal, and Reformatory | |
| 39 | Institutions Account—State Appropriation | \$10,000 |

1 Pension Funding Stabilization Account—State

| | | |
|---|-------------------------------|------------------------------|
| 2 | <u>Appropriation.</u> | \$185,000 |
| 3 | TOTAL APPROPRIATION. | ((\$4,011,000)) |
| 4 | | <u>\$4,015,000</u> |

5 The appropriations in this subsection are subject to the
6 following conditions and limitations: \$85,000 of the general fund—
7 state appropriation for fiscal year 2018 and \$84,000 of the general
8 fund—state appropriation for fiscal year 2019 are provided solely for
9 the implementation of chapter 173, Laws of 2017 (ESSB 1802)
10 (veterans' shared leave pool).

11 ((+2)) (3) FIELD SERVICES

| | | |
|----|--|------------------------------|
| 12 | General Fund—State Appropriation (FY 2018) | ((\$6,220,000)) |
| 13 | | <u>\$6,077,000</u> |
| 14 | General Fund—State Appropriation (FY 2019) | ((\$6,278,000)) |
| 15 | | <u>\$6,126,000</u> |
| 16 | General Fund—Federal Appropriation | ((\$3,751,000)) |
| 17 | | <u>\$3,747,000</u> |
| 18 | General Fund—Private/Local Appropriation | ((\$4,799,000)) |
| 19 | | <u>\$4,794,000</u> |

20 Veteran Estate Management Account—Private/Local

| | | |
|----|-------------------------|----------------------------|
| 21 | Appropriation | ((\$666,000)) |
| 22 | | <u>\$664,000</u> |

23 Pension Funding Stabilization Account—State

| | | |
|----|-------------------------------|-------------------------------|
| 24 | <u>Appropriation.</u> | \$443,000 |
| 25 | TOTAL APPROPRIATION. | ((\$21,714,000)) |
| 26 | | <u>\$21,851,000</u> |

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

29 (a) \$300,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$300,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely to provide crisis and emergency
32 relief and education, training, and employment assistance to veterans
33 and their families in their communities through the veterans
34 innovation program.

35 (b) \$200,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$200,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for the implementation of
38 chapter 192, Laws of 2017 (SB 5849) (veterans' services).

1 (c) \$110,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$110,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for the expansion of the
4 veterans conservation corps by fifteen paid internships.

5 ((~~3~~)) (4) INSTITUTIONAL SERVICES

| | | |
|----|--|----------------------|
| 6 | General Fund—State Appropriation (FY 2018) | (\$2,105,000) |
| 7 | | <u>\$11,925,000</u> |
| 8 | General Fund—State Appropriation (FY 2019) | (\$2,307,000) |
| 9 | | <u>\$5,831,000</u> |
| 10 | General Fund—Federal Appropriation | (\$93,767,000) |
| 11 | | <u>\$84,027,000</u> |
| 12 | General Fund—Private/Local Appropriation | (\$35,687,000) |
| 13 | | <u>\$27,983,000</u> |
| 14 | <u>Pension Funding Stabilization Account—State</u> | |
| 15 | <u>Appropriation</u> | <u>\$1,462,000</u> |
| 16 | TOTAL APPROPRIATION | (\$133,866,000) |
| 17 | | <u>\$131,228,000</u> |

18 **Sec. 219.** 2017 3rd sp.s. c 1 s 219 (uncodified) is amended to
19 read as follows:

20 **FOR THE DEPARTMENT OF HEALTH**

| | | |
|----|---|----------------------|
| 21 | General Fund—State Appropriation (FY 2018) | (\$71,759,000) |
| 22 | | <u>\$70,667,000</u> |
| 23 | General Fund—State Appropriation (FY 2019) | (\$72,148,000) |
| 24 | | <u>\$78,618,000</u> |
| 25 | General Fund—Federal Appropriation | (\$550,186,000) |
| 26 | | <u>\$550,114,000</u> |
| 27 | General Fund—Private/Local Appropriation | (\$185,189,000) |
| 28 | | <u>\$186,257,000</u> |
| 29 | Hospital Data Collection Account—State Appropriation | (\$348,000) |
| 30 | | <u>\$347,000</u> |
| 31 | Health Professions Account—State Appropriation | (\$129,629,000) |
| 32 | | <u>\$132,578,000</u> |
| 33 | Aquatic Lands Enhancement Account—State Appropriation | \$623,000 |
| 34 | Emergency Medical Services and Trauma Care Systems | |
| 35 | Trust Account—State Appropriation | (\$9,247,000) |
| 36 | | <u>\$9,872,000</u> |
| 37 | Safe Drinking Water Account—State Appropriation | (\$5,678,000) |
| 38 | | <u>\$5,667,000</u> |

| | | |
|----|--|----------------------------------|
| 1 | Drinking Water Assistance Account—Federal | |
| 2 | Appropriation | ((\$16,016,000)) |
| 3 | | <u>\$15,990,000</u> |
| 4 | Waterworks Operator Certification—State Appropriation | ((\$1,671,000)) |
| 5 | | <u>\$1,836,000</u> |
| 6 | Drinking Water Assistance Administrative Account—State | |
| 7 | Appropriation | ((\$372,000)) |
| 8 | | <u>\$371,000</u> |
| 9 | Site Closure Account—State Appropriation | ((\$169,000)) |
| 10 | | <u>\$168,000</u> |
| 11 | Biotoxin Account—State Appropriation | ((\$1,972,000)) |
| 12 | | <u>\$1,968,000</u> |
| 13 | State Toxics Control Account—State Appropriation . . . | ((\$4,259,000)) |
| 14 | | <u>\$4,249,000</u> |
| 15 | Medicaid Fraud Penalty Account—State Appropriation . . . | ((\$938,000)) |
| 16 | | <u>\$1,098,000</u> |
| 17 | Medical Test Site Licensure Account—State | |
| 18 | Appropriation | ((\$2,594,000)) |
| 19 | | <u>\$2,591,000</u> |
| 20 | Youth Tobacco and Vapor Products Prevention Account—State | |
| 21 | Appropriation | ((\$4,963,000)) |
| 22 | | <u>\$3,363,000</u> |
| 23 | Dedicated Marijuana Account—State Appropriation | |
| 24 | (FY 2018). | \$9,761,000 |
| 25 | Dedicated Marijuana Account—State Appropriation | |
| 26 | (FY 2019). | ((\$9,766,000)) |
| 27 | | <u>\$9,764,000</u> |
| 28 | Public Health Supplemental Account—Private/Local | |
| 29 | Appropriation | \$3,248,000 |
| 30 | <u>Pension Funding Stabilization Account—State</u> | |
| 31 | <u>Appropriation.</u> | <u>\$3,821,000</u> |
| 32 | Accident Account—State Appropriation | ((\$344,000)) |
| 33 | | <u>\$343,000</u> |
| 34 | Medical Aid Account—State Appropriation | \$53,000 |
| 35 | Suicide-Safer Homes Project Account—State Appropriation. . . | \$50,000 |
| 36 | TOTAL APPROPRIATION. | ((\$1,080,983,000)) |
| 37 | | <u>\$1,093,417,000</u> |

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

1 (1) The department of health shall not initiate any services that
2 will require expenditure of state general fund moneys unless
3 expressly authorized in this act or other law. The department of
4 health and the state board of health shall not implement any new or
5 amended rules pertaining to primary and secondary school facilities
6 until the rules and a final cost estimate have been presented to the
7 legislature, and the legislature has formally funded implementation
8 of the rules through the omnibus appropriations act or by statute.
9 The department may seek, receive, and spend, under RCW 43.79.260
10 through 43.79.282, federal moneys not anticipated in this act as long
11 as the federal funding does not require expenditure of state moneys
12 for the program in excess of amounts anticipated in this act. If the
13 department receives unanticipated unrestricted federal moneys, those
14 moneys shall be spent for services authorized in this act or in any
15 other legislation that provides appropriation authority, and an equal
16 amount of appropriated state moneys shall lapse. Upon the lapsing of
17 any moneys under this subsection, the office of financial management
18 shall notify the legislative fiscal committees. As used in this
19 subsection, "unrestricted federal moneys" includes block grants and
20 other funds that federal law does not require to be spent on
21 specifically defined projects or matched on a formula basis by state
22 funds.

23 (2) During the 2017-2019 fiscal biennium, each person subject to
24 RCW 43.70.110(3)(c) is required to pay only one surcharge of up to
25 twenty-five dollars annually for the purposes of RCW 43.70.112,
26 regardless of how many professional licenses the person holds.

27 (3) In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035,
28 the department is authorized to adopt license and certification fees
29 in fiscal years 2018 and 2019 to support the costs of the regulatory
30 program. The department's fee schedule shall have differential rates
31 for providers with proof of accreditation from organizations that the
32 department has determined to have substantially equivalent standards
33 to those of the department, including but not limited to the joint
34 commission on accreditation of health care organizations, the
35 commission on accreditation of rehabilitation facilities, and the
36 council on accreditation. To reflect the reduced costs associated
37 with regulation of accredited programs, the department's fees for
38 organizations with such proof of accreditation must reflect the lower
39 costs of licensing for these programs than for other organizations
40 which are not accredited.

1 (4)(a) \$5,000,000 of the general fund—state appropriation for
2 fiscal year 2018 and \$5,000,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for the
4 department to support the local health jurisdictions to improve their
5 ability to address (i) communicable disease monitoring and prevention
6 and (ii) chronic disease and injury prevention. The department and
7 representatives of local health jurisdictions must work together to
8 arrive at a mutually acceptable allocation and distribution of funds
9 and to determine the best accountability measures to ensure efficient
10 and effective use of funds, emphasizing the use of shared services.

11 (b) By December 31, 2017, the department shall provide a
12 preliminary report, and by November 30, 2018, a final report, to the
13 appropriate committees of the legislature regarding:

14 (i) The allocation of funding, as provided in this subsection, to
15 the local health jurisdictions;

16 (ii) Steps taken by the local health jurisdictions that received
17 funding to improve communicable disease monitoring and prevention and
18 chronic disease and injury prevention;

19 (iii) An assessment of the effectiveness of the steps taken by
20 local health jurisdictions and the criteria measured; and

21 (iv) Any recommendations for future models for service delivery
22 to address communicable and chronic diseases.

23 (5)(a) \$1,000,000 of the general fund—state appropriation for
24 fiscal year 2018 and \$1,000,000 of the general fund—state
25 appropriation for fiscal year 2019 are provided solely for the
26 department, as part of foundational public health services, to
27 implement strategies to control the spread of communicable diseases
28 and other health threats. These strategies may include updating or
29 replacing equipment in the state public health laboratory; addressing
30 health inequities among state residents; reporting on the root cause
31 analyses of adverse events at medical facilities; performing critical
32 activities to prevent adverse health consequences of hepatitis C; or
33 assessing information technology system consolidation and
34 modernization opportunities for statewide public health data systems.

35 (b) By November 30, 2018, the department shall develop a
36 statewide governmental public health improvement plan and provide it
37 to the appropriate committees of the legislature.

38 (6) \$26,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$10,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for the implementation of
2 chapter 295, Laws of 2017 (SHB 1258) (first responders/disability).

3 (7) Within amounts appropriated in this section, funding is
4 provided to implement chapter 312, Laws of 2017 (SSB 5046) (language
5 of public notices).

6 (8) \$39,000 of the general fund—local appropriation is provided
7 solely for the implementation of chapter 249, Laws of 2017 (ESHB
8 1714) (nurse staffing plans).

9 (9) \$27,000 of the health professions account—state appropriation
10 and \$50,000 of the Suicide-Safer Homes Project account are provided
11 solely for the implementation of chapter 262, Laws of 2017 (E2SHB
12 1612) (reducing access to lethal means).

13 (10) \$269,000 of the health professions account—state
14 appropriation is provided solely for the implementation of chapter
15 297, Laws of 2017 (ESHB 1427) (opioid treatment program).

16 (11) \$350,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$350,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided to the department solely to cover costs
19 of providing increased capacity under existing contracts with suicide
20 prevention lines to respond to calls to the national suicide
21 prevention lifeline.

22 (12) \$40,000 of the general fund—state appropriation for fiscal
23 year 2018 and (~~(\$40,000)~~) \$90,000 of the general fund—state
24 appropriation for fiscal year 2019 are provided solely for the
25 midwifery licensure and regulatory program to supplement revenue from
26 fees. The department shall charge no more than five hundred twenty-
27 five dollars annually for new or renewed licenses for the midwifery
28 program.

29 (13)(a) Within amounts appropriated in this section, the
30 department, in consultation with advocacy groups and experts that
31 focus on hunger and poverty issues, shall produce a report regarding
32 ongoing nutrition assistance programs funded by the United States
33 department of agriculture and administered in Washington state. The
34 report must be a compilation, by program, of data already collected
35 by the department of social and health services, the department of
36 health, the office of the superintendent of public instruction, and
37 the Washington state department of agriculture, and it must include,
38 where available, but is not limited to:

1 (i) The number of people in Washington who are eligible for the
2 program;

3 (ii) The number of people in Washington who participated in the
4 program;

5 (iii) The average annual participation rate in the program;

6 (iv) Participation rates by geographic distribution; and

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

8 (b) The department shall report to the appropriate committees of
9 the legislature and to the governor. An initial report is due by
10 April 30, 2018, and a second report is due by April 30, 2019.

11 (14) Information technology projects or investments and proposed
12 projects or investments impacting time capture, payroll and payment
13 processes and systems eligibility, case management, and authorization
14 systems within the department of health are subject to technical
15 oversight by the office of the state chief information officer.

16 (15) \$2,604,000 of the health professions account—state
17 appropriation is provided solely for the medical quality assurance
18 commission to address increased workload.

19 (16) \$896,000 of the health professions account—state
20 appropriation is provided solely for the pharmacy commission to
21 improve research and communication to pharmacies regarding the
22 development and implementation of new and changing rules.

23 (17) \$9,000,000 of the general fund—federal appropriation is
24 provided solely for the department to implement projects and
25 activities during the 2017-2019 fiscal biennium that are designed to
26 improve the health and well-being of individuals living with human
27 immunodeficiency virus, including:

28 (a) A health disparity project to increase access to dental,
29 mental health, and housing services for populations that have
30 historically experienced limited access to needed services, including
31 Latino individuals in central Washington;

32 (b) A project to establish a peer-to-peer network for individuals
33 living with human immunodeficiency virus. Trained navigators will
34 work to link individuals living with human immunodeficiency virus to
35 medical care, housing support, training, and other needed services;

36 (c) A project to expand the MAX clinic within Harborview hospital
37 to serve an increased number of high-need clients and establishing a
38 MAX clinic to serve high-need clients in Pierce county. This project
39 shall also provide statewide training for staff of the department, of

1 local health jurisdictions, and of providers of services for persons
2 with human immunodeficiency virus;

3 (d) The development of a single eligibility portal to allow
4 statewide usage and streamlined case management for individuals who
5 are living with human immunodeficiency virus and receiving public
6 health services; and

7 (e) An assessment and evaluation of the effectiveness of each of
8 the projects outlined in subsections (a) through (d) of this
9 subsection.

10 (18) \$6,096,000 of the general fund—local appropriation is
11 provided solely for the department to target its efforts in the HIV
12 early intervention program toward populations with health
13 disparities.

14 (19) \$1,118,000 of the general fund—local appropriation is
15 provided solely for equipment, testing supplies, and materials
16 necessary to add x-linked adrenoleukodystrophy to the mandatory
17 newborn screening panel. The department is authorized to increase the
18 newborn screening fee by \$8.10.

19 (20) \$1,500,000 of the general fund—state appropriation for
20 fiscal year 2018 and \$1,500,000 of the general fund—state
21 appropriation for fiscal year 2019 are provided solely for:

22 (a) Increased screening, case management, and an electronic data
23 reporting system to identify children who are at the highest risk of
24 having elevated levels of lead in their blood, prioritizing children
25 who live in areas where the risk is highest; and

26 (b) Sampling and testing of drinking water and water fixtures in
27 public schools. The department, in collaboration with the educational
28 service districts, must prioritize testing within elementary schools
29 where drinking water and water fixtures have not been tested for
30 contaminants at any time, and elementary schools where drinking water
31 and water fixtures have not been tested within the past three years.
32 Consistent with the United States environmental protection agency's
33 manual, "3Ts for Reducing Lead in Drinking Water in Schools—Revised
34 Technical Guidance," the department must develop guidance and testing
35 protocols for the lead action level for drinking water and for
36 testing drinking water and drinking water fixtures in public and
37 private schools. The guidance must include:

38 (i) Actions to take if test results exceed the federal action
39 level or public drinking water standard;

1 (ii) Recommendations to schools on prioritizing fixture
2 replacement, and options for further reducing lead, including
3 replacement of fixtures or use of certified filters when results are
4 below the federal action level for schools, but exceed the maximum
5 level recommended by the American Academy of Pediatrics; and

6 (iii) Recommendations for communicating test results and risk to
7 parents and the community, including that there is no safe level of
8 lead in water and that action may be warranted even if levels are
9 below the action level.

10 (21) \$277,000 of the general fund—local appropriation is provided
11 solely to implement chapter 207, Laws of 2017 (E2SHB 1819)
12 (children's mental health).

13 (22) \$130,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$130,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely to increase the funding for the
16 breast, cervical, and colon health program administered by the
17 department.

18 (23) Within the amounts appropriated in this section, and in
19 accordance with RCW 43.20B.110 and 70.41.100, the department shall
20 set fees to include the full costs of the performance of inspections
21 pursuant to RCW 70.41.080.

22 (24) Within the amounts appropriated in this section, and in
23 accordance with RCW 43.70.110 and 71.12.470, the department shall set
24 fees to include the full costs of the performance of inspections
25 pursuant to RCW 71.12.485.

26 ~~(25) ((\$250,000 of the general fund—state appropriation for
27 fiscal year 2018 and \$250,000 of the general fund—state appropriation
28 for fiscal year 2019 are provided solely for the department to
29 contract with a nongovernmental entity that has experience in
30 adapting global health strategies to underserved communities for a
31 pilot program to develop strategies to address health disparities in
32 rural communities. The program should engage marginalized communities
33 in order to identify barriers and social determinants that most
34 impact health, including access to housing and food and economic
35 stability. The department must report to the legislature by December
36 1, 2018, regarding identified barriers and any recommendations for
37 interventions.~~

38 ~~(26))~~) \$27,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$16,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for the implementation of
2 chapter 273, Laws of 2017 (E2SHB 1358) (community assistance referral
3 programs).

4 ~~((+27+))~~ (26) \$224,000 of the health professions account—state
5 appropriation is provided solely for the implementation of chapter
6 320, Laws of 2017 (SSB 5322) (dentists and third parties).

7 ~~((+28+))~~ (27) \$93,000 of the health professions account—state
8 appropriation is provided solely for the implementation of chapter
9 101, Laws of 2017 (ESHB 1431) (osteopathic medicine and surgery).

10 ~~((+29+))~~ (28) \$82,000 of the general fund—local appropriation is
11 provided solely for the implementation of chapter 263, Laws of 2017
12 (SSB 5152) (pediatric transitional care).

13 ~~((+30+))~~ (29) \$25,000 of the general fund—state appropriation for
14 fiscal year 2018 is provided solely for the department to prepare and
15 submit a report about the certificate of need program to the governor
16 and the appropriate fiscal and policy committees of the legislature
17 by October 1, 2017. By health care setting, for each of the preceding
18 ten fiscal years, the report must show the total number of
19 applications, the total number of accepted applications, the total
20 number of beds requested, the total number of beds approved, and a
21 summary of the most common reasons for declining an application. The
22 report must include suggestions for modifying the program to increase
23 the number of successful applications. At least one suggestion must
24 address the goal of adding psychiatric beds within hospitals.

25 ~~((+31+))~~ (30) The department, in collaboration with the health
26 care authority, shall work to ensure that a single platform provider
27 credentialing system is implemented. The authority and department
28 shall ensure that appropriate cost offsets and cost avoidance are
29 assumed for reduced staff time required for provider credentialing
30 activity and reductions in improper billing activity when
31 implementing provider credentialing systems.

32 ~~((+32+))~~ (31) \$28,000 of the general fund—state appropriation for
33 fiscal year 2018 and \$28,000 of the general fund—state appropriation
34 for fiscal year 2019 are provided solely for staffing capacity at the
35 department to support a performance audit of the fee-setting process
36 for each health profession licensed by the department.

37 ~~((+33+))~~ (32) The appropriations in this section include
38 sufficient funding for the implementation of chapter 294, Laws of
39 2017 (SSB 5835) (health outcomes/pregnancy).

1 (33) \$670,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for a collaboration between local public
3 health, accountable communities of health, and health care providers
4 to reduce preventable hospitalizations. This one-year initiative will
5 take place in the Tacoma/Pierce county local health jurisdiction.

6 (34) \$556,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely to replace the comprehensive hospital
8 abstract reporting system and is subject to the conditions,
9 limitations, and review provided in section 724, chapter 1, Laws of
10 2017 3rd sp. sess.

11 (35) \$40,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for the department, in partnership with
13 the department of social and health services and the health care
14 authority, to assist a collaborative public-private entity with
15 implementation of recommendations in the state plan to address
16 alzheimer's disease and other dementias.

17 (36) In accordance with RCW 70.96A.090, 71.24.035, 43.20B.110,
18 and 43.135.055, the department is authorized to adopt fees for the
19 review and approval of mental health and substance use disorder
20 treatment programs in fiscal years 2018 and 2019 as necessary to
21 support the costs of the regulatory program. The department's fee
22 schedule must have differential rates for providers with proof of
23 accreditation from organizations that the department has determined
24 to have substantially equivalent standards to those of the
25 department, including but not limited to the joint commission on
26 accreditation of health care organizations, the commission on
27 accreditation of rehabilitation facilities, and the council on
28 accreditation. To reflect the reduced costs associated with
29 regulation of accredited programs, the department's fees for
30 organizations with such proof of accreditation must reflect the lower
31 cost of licensing for these programs than for other organizations
32 which are not accredited.

33 (37) \$30,000 of the general fund—state appropriation for fiscal
34 year 2019 is provided solely for the nursing care quality assurance
35 commission to convene and facilitate a work group to assess the need
36 for nurses in long-term care settings and to make recommendations
37 regarding worker recruitment, training, and retention challenges for
38 long-term care providers in the sectors of skilled nursing
39 facilities, assisted-living facilities, and adult family homes.

- 1 (a) The work group must:
- 2 (i) Determine the current and projected worker vacancy rates in
3 the long-term care sectors compared to the workload projections for
4 these sectors;
- 5 (ii) Develop recommendations for a standardized training
6 curriculum for certified nursing assistants that ensures that workers
7 are qualified to provide care in each sector, including integration
8 into the curriculum of specific training for the care of clients with
9 dementia, developmental disabilities, and mental health issues;
- 10 (iii) Review academic and other prerequisites for training for
11 licensed practical nurses to identify any barriers to career
12 advancement for certified nursing assistants;
- 13 (iv) Identify barriers to career advancement for long-term care
14 workers; and
- 15 (v) Evaluate the oversight roles of the department of health and
16 the department of social and health services for nurse training
17 programs and make recommendations for streamlining those roles.
- 18 (b) The members of the work group must include the following:
- 19 (i) The chair of the house health care and wellness committee or
20 his or her designee;
- 21 (ii) The chair of the senate health and long-term care committee
22 or his or her designee;
- 23 (iii) The assistant secretary of the aging and disability support
24 administration of the department of social and health services, or
25 his or her designee;
- 26 (iv) A member of the Washington apprenticeship and training
27 council, chosen by the director of the department of labor and
28 industries;
- 29 (v) A representative from the health services quality assurance
30 division of the department of health, chosen by the secretary;
- 31 (vi) The executive director of the Washington state board for
32 community and technical colleges or his or her designee;
- 33 (vii) A representative of the largest statewide association
34 representing nurses;
- 35 (viii) A representative of the largest statewide union
36 representing home care workers;
- 37 (ix) A representative of the largest statewide association
38 representing assisted living and skilled nursing facilities;
- 39 (x) A representative of the adult family home council of
40 Washington; and

1 (xi) The Washington state long-term care ombuds or his or her
2 designee.

3 (d) The work group must meet at least three times, and the first
4 meeting must occur no later than July 15, 2018. The commission must
5 report no later than December 15, 2018, to the governor and the
6 legislature regarding the work group's assessments and
7 recommendations.

8 (38) \$150,000 of the general fund—state appropriation for fiscal
9 year 2019 is provided solely for the department to implement training
10 and education recommendations described in the 2016 report of the
11 community health worker task force. The department shall report to
12 the legislature on the progress of implementation no later than June
13 30, 2019. These moneys shall only be used to cover the cost of the
14 department's staff time, meeting expenses, and community outreach.

15 (39) \$3,000,000 of the general fund—state appropriation for
16 fiscal year 2019 is provided solely to Seattle and King county public
17 health for core public health services that prevent and stop the
18 spread of communicable disease, including but not limited to zoonotic
19 and emerging diseases and chronic hepatitis B and hepatitis C.

20 (40) \$100,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$360,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for the department to coordinate
23 with local health jurisdictions to establish and maintain
24 comprehensive Group B programs to ensure safe and reliable drinking
25 water. These amounts shall be used to support the costs of the
26 development and adoption of rules, policies and procedures, and for
27 technical assistance, training, and other program-related costs.

28 (41) \$485,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely for the implementation of Second
30 Substitute House Bill No. 2671 (behavioral health/agricultural
31 industry). If the bill is not enacted by June 30, 2018, the amounts
32 provided in this subsection shall lapse.

33 (42) \$113,000 of the general fund—local appropriation is provided
34 solely to implement Engrossed Substitute Senate Bill No. 6037
35 (uniform parentage act). If this bill is not enacted by June 30,
36 2018, the amount provided in this subsection shall lapse.

37 (43) \$19,000 of the health professions account—state
38 appropriation is provided solely to implement Substitute Senate Bill

1 No. 6273 (state charity care). If this bill is not enacted by June
2 30, 2018, the amount provided in this subsection shall lapse.

3 (44) \$200,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for a grant to the Benton-Franklin local
5 health jurisdiction to expand its youth suicide prevention activities
6 and to serve as a case study to identify best practice materials,
7 training, intervention practices, and promotional strategies that can
8 be replicated in other local health jurisdictions. The amounts
9 appropriated must be used for the following activities:

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

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

27 (c) Prior to November 1, 2018, the Benton-Franklin local health
28 jurisdiction must complete a plan for expanding youth suicide
29 prevention that is based primarily on the survey of attendees
30 described in (b) of this subsection. For each investment, the plan
31 must describe the amount of funding utilized, as well as the expected
32 results. The plan must be shared with the office of financial
33 management, and the appropriate fiscal and policy committees of the
34 legislature, by November 10, 2018.

35 (d) Prior to June 15, 2019, the Benton-Franklin local health
36 jurisdiction must complete a final report summarizing the work
37 completed to satisfy (a) through (c) of this subsection. The final
38 report must include a description of outcomes that can be measured
39 and linked to the expansion of youth suicide prevention activities
40 funded by this subsection. The final report will serve as a guide for

1 further expansion of youth suicide prevention in Benton-Franklin, or
2 within other local health jurisdictions. The final report must be
3 shared with the office of financial management, and the appropriate
4 fiscal and policy committees of the legislature, by June 30, 2019.

5 (45) \$300,000 of the general fund—state appropriation for fiscal
6 year 2019, \$626,000 of the emergency medical services account
7 appropriation, and \$70,000 of the health profession account
8 appropriation are provided solely for the department to establish a
9 statewide electronic emergency medical services data system for
10 licensed ambulances and aid services to report and furnish patient
11 encounter data, for the distribution of health care supplies through
12 the hub and spoke community-based public health programs, and for
13 knowledge-based identity verification for the prescription monitoring
14 program. The secretary shall be responsible for coordinating the
15 statewide response to the opioid epidemic.

16 (46) \$375,000 of the general fund—state appropriation for fiscal
17 year 2019 is provided solely for the department to contract with a
18 private or nonprofit business or organization with experience using
19 evidence-based practices and promising practices for global
20 strategies to reduce health disparities and address root social
21 determinants of health for underserved communities in rural
22 Washington state; with experience in working with underserved
23 populations who face barriers to basic health and economic resources,
24 including lack of access to preventative care, contributing to
25 mismanagement of chronic disease and shortened lifespan; and with
26 expertise regarding Washington state's global health institutions to
27 bring strategies that have proven effective in developing countries
28 to underserved communities in the United States. The program should
29 engage marginalized communities in order to identify barriers and
30 social determinants that most impact health, including access to
31 housing and food and economic stability and be able to identify,
32 train, and provide tools to community leaders. The department must
33 report to the legislature by December 1, 2019, regarding identified
34 barriers and any recommendations for interventions.

35 (47) \$160,000 of the medicaid fraud penalty account—state
36 appropriation is provided solely for additional staffing to
37 coordinate the integration of the prescription monitoring program
38 data into electronic health systems pursuant to chapter 297, Laws of
39 2017 (ESHB 1427) (opioid treatment programs).

1 (48) \$25,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely to implement Engrossed Second Substitute
3 Senate Bill No. 6529 (pesticide application safety). If this bill is
4 not enacted by June 30, 2018, the amount provided in this subsection
5 shall lapse.

6 (49) \$791,000 of the health professions account—state
7 appropriation is provided solely to implement House Bill No. 2313
8 (chiropractic quality assurance commission). If this bill is not
9 enacted by June 30, 2018, the amount provided in this subsection
10 shall lapse.

11 **Sec. 220.** 2017 3rd sp.s. c 1 s 220 (uncodified) is amended to
12 read as follows:

13 **FOR THE DEPARTMENT OF CORRECTIONS**

14 The appropriations to the department of corrections in this act
15 shall be expended for the programs and in the amounts specified in
16 this act. However, after May 1, 2018, after approval by the director
17 of financial management and unless specifically prohibited by this
18 act, the department may transfer general fund—state appropriations
19 for fiscal year 2018 between programs. The department may not
20 transfer funds, and the director of financial management may not
21 approve the transfer, unless the transfer is consistent with the
22 objective of conserving, to the maximum extent possible, the
23 expenditure of state funds. The director of financial management
24 shall notify the appropriate fiscal committees of the senate and
25 house of representatives in writing seven days prior to approving any
26 deviations from appropriation levels. The written notification must
27 include a narrative explanation and justification of the changes,
28 along with expenditures and allotments by budget unit and
29 appropriation, both before and after any allotment modifications or
30 transfers.

31 (1) ADMINISTRATION AND SUPPORT SERVICES

| | | | |
|----|--|-----------|------------------|
| 32 | General Fund—State Appropriation (FY 2018) | | ((\$64,492,000)) |
| 33 | | | \$60,866,000 |
| 34 | General Fund—State Appropriation (FY 2019) | | ((\$64,219,000)) |
| 35 | | | \$61,152,000 |
| 36 | General Fund—Federal Appropriation. | | \$400,000 |
| 37 | <u>Pension Funding Stabilization Account—State</u> | | |
| 38 | <u>Appropriation.</u> | | \$7,602,000 |

1 TOTAL APPROPRIATION. ((~~\$128,711,000~~))
2 \$130,020,000

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

5 (a) \$35,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$35,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely for the support of a statewide
8 council on mentally ill offenders that includes as its members
9 representatives of community-based mental health treatment programs,
10 current or former judicial officers, and directors and commanders of
11 city and county jails and state prison facilities. The council will
12 investigate and promote cost-effective approaches to meeting the
13 long-term needs of adults and juveniles with mental disorders who
14 have a history of offending or who are at-risk of offending,
15 including their mental health, physiological, housing, employment,
16 and job training needs.

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

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

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

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

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

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

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

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

7 (c) (~~(\$865,000)~~) \$488,000 of the general fund—state appropriation
8 for fiscal year 2018 and (~~(\$587,000)~~) \$964,000 of the general fund—
9 state appropriation for fiscal year 2019 are provided solely for
10 information technology business solutions and are subject to the
11 conditions, limitations, and review provided in section 724 of this
12 act.

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

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

24 (2) CORRECTIONAL OPERATIONS

| | | | |
|----|--|-----------|----------------------------------|
| 25 | General Fund—State Appropriation (FY 2018) | | ((\$541,061,000)) |
| 26 | | | <u>\$499,134,000</u> |
| 27 | General Fund—State Appropriation (FY 2019) | | ((\$562,878,000)) |
| 28 | | | <u>\$515,165,000</u> |
| 29 | General Fund—Federal Appropriation | | \$818,000 |
| 30 | Washington Auto Theft Prevention Authority Account—State | | |
| 31 | Appropriation | | ((\$4,608,000)) |
| 32 | | | <u>\$4,588,000</u> |
| 33 | <u>Pension Funding Stabilization Account—State</u> | | |
| 34 | <u>Appropriation.</u> | | <u>\$62,831,000</u> |
| 35 | TOTAL APPROPRIATION. | | ((\$1,109,365,000)) |
| 36 | | | <u>\$1,082,536,000</u> |

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

1 (a) The department may contract for beds statewide to the extent
2 that it is at no net cost to the department. The department shall
3 calculate and report the average cost per offender per day, inclusive
4 of all services, on an annual basis for a facility that is
5 representative of average medium or lower offender costs. The
6 duration of the contracts may be for up to four years. The department
7 shall not pay a rate greater than \$85 per day per offender for all
8 costs associated with the offender while in the local correctional
9 facility to include programming and health care costs, or the
10 equivalent of \$85 per day per bed including programming and health
11 care costs for full units. The capacity provided at local
12 correctional facilities must be for offenders whom the department of
13 corrections defines as medium or lower security offenders.
14 Programming provided for inmates held in local jurisdictions is
15 included in the rate, and details regarding the type and amount of
16 programming, and any conditions regarding transferring offenders must
17 be negotiated with the department as part of any contract. Local
18 jurisdictions must provide health care to offenders that meet
19 standards set by the department. The local jail must provide all
20 medical care including unexpected emergent care. The department must
21 utilize a screening process to ensure that offenders with existing
22 extraordinary medical/mental health needs are not transferred to
23 local jail facilities. If extraordinary medical conditions develop
24 for an inmate while at a jail facility, the jail may transfer the
25 offender back to the department, subject to terms of the negotiated
26 agreement. Health care costs incurred prior to transfer are the
27 responsibility of the jail.

28 (b) \$501,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$501,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for the department to maintain
31 the facility, property, and assets at the institution formerly known
32 as the maple lane school in Rochester.

33 (c) \$1,379,000 of the general fund—state appropriation for fiscal
34 year 2018, and \$1,379,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely for the department to contract
36 for the use of inmate bed capacity in lieu of prison beds operated by
37 the state to meet prison capacity needs.

38 (~~(\$250,000 of the general fund—state appropriation for fiscal~~
39 ~~year 2018 and~~)) \$250,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for the department to enter into
2 an agreement to purchase electricity for the Monroe correctional
3 complex from a ~~((sawmill waste cogeneration system that is connected
4 to a lumber mill that employs at least 150 people. The agreement
5 cannot increase the total cost for the purchase of electricity for
6 the entire complex))~~ source located in Snohomish county that is
7 fueled using commercial or industrial waste from an on-site lumber
8 mill that employs at least 150 people.

9 (e) Within the amounts appropriated in this section, funding is
10 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
11 offense/felony).

12 (f) The appropriations in this section include sufficient funding
13 for the implementation of chapter 226, Laws of 2017 (HB 1153)
14 (vulnerable persons/crimes).

15 ~~(g) ((The appropriations in this section include sufficient
16 funding for the implementation of Senate Bill No. 5934 (concerning
17 convicted persons)-~~

18 ~~(i))~~ Within the amounts appropriated in this section, the
19 department of corrections must review the use of full body scanners
20 at state correctional facilities for women to reduce the frequency of
21 strip and body cavity searches and report with recommendations to the
22 governor and the appropriate legislative committees by November 15,
23 2017. The report must address the cost of technology, installation,
24 and maintenance; the benefits to personnel and inmates; information
25 regarding accumulated exposure to radiation; and general guidelines
26 for implementation at a pilot facility.

27 (h) \$400,000 of the general fund—state appropriation for fiscal
28 year 2019 is provided solely for the department to contract with an
29 independent third party to: (i) Provide a comprehensive review of the
30 prison staffing model; and (ii) develop an updated prison staffing
31 model for use by the department.

32 (i) \$240,000 of the general fund—state appropriation for fiscal
33 year 2019 is provided solely for the department to install a body
34 scanner at the Washington corrections center for women as a pilot
35 project to reduce strip searches. The department must collect data on
36 its change in practices, the benefits or issues with utilizing body
37 scanners in the prison, and provide a report to the legislature and
38 the appropriate fiscal committees of the legislature by October 15,
39 2019.

1 (j) \$240,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for implementation of Engrossed Second
3 Substitute House Bill No. 1889 (corrections ombuds). If the bill is
4 not enacted by June 30, 2018, the amount provided in this subsection
5 shall lapse.

6 (3) COMMUNITY SUPERVISION

| | | | |
|----|--|-----------|--------------------------------|
| 7 | General Fund—State Appropriation (FY 2018) | | ((\$181,670,000)) |
| 8 | | | <u>\$179,455,000</u> |
| 9 | General Fund—State Appropriation (FY 2019) | | ((\$187,807,000)) |
| 10 | | | <u>\$189,378,000</u> |
| 11 | General Fund—Federal Appropriation | | ((\$2,368,000)) |
| 12 | | | <u>\$2,898,000</u> |
| 13 | <u>Pension Funding Stabilization Account—State</u> | | |
| 14 | <u>Appropriation.</u> | | <u>\$12,791,000</u> |
| 15 | TOTAL APPROPRIATION. | | ((\$371,845,000)) |
| 16 | | | <u>\$384,522,000</u> |

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

19 (a) The department of corrections shall contract with local and
20 tribal governments for the provision of jail capacity to house
21 offenders who violate the terms of their community supervision. A
22 contract shall not have a cost of incarceration in excess of \$85 per
23 day per offender. A contract shall not have a year-to-year increase
24 in excess of three percent per year. The contracts may include rates
25 for the medical care of offenders which exceed the daily cost of
26 incarceration and the limitation on year-to-year increases, provided
27 that medical payments conform to the department's offender health
28 plan and pharmacy formulary, and all off-site medical expenses are
29 preapproved by department utilization management staff.

30 (b) The department shall engage in ongoing mitigation strategies
31 to reduce the costs associated with community supervision violators,
32 including improvements in data collection and reporting and
33 alternatives to short-term confinement for low-level violators.

34 (c) By January 1, 2018, the department of corrections shall
35 provide a report to the office of financial management and the
36 appropriate fiscal and policy committees of the legislature to
37 include a review of the department's policies and procedures related
38 to swift and certain sanctioning, and identification of legal
39 decisions that impact caseload and operations. The report shall

1 include recommendations for improving public and staff safety while
2 decreasing recidivism through improved alignment of the department's
3 policies and procedures with current best practices concerning swift
4 and certain sanctioning. The report shall include a review of
5 department practices, legal decisions that impact caseload and
6 operations, an analysis of current best practices in other
7 jurisdictions that have adopted swift and certain sanctioning, and
8 recommendations to improve the department's practices and procedures.

9 (d) Within the amounts appropriated in this section, funding is
10 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
11 offense/felony).

12 (e) ~~((The appropriations in this section include sufficient
13 funding for the implementation of Senate Bill No. 5934 (concerning
14 convicted persons).))~~ \$1,742,000 of the general fund—state
15 appropriation for fiscal year 2019 is provided solely for the
16 implementation of Substitute House Bill No. 2638 (graduated reentry
17 program). If the bill is not enacted by June 30, 2018, the amount in
18 this subsection shall lapse.

19 (4) CORRECTIONAL INDUSTRIES

| | | | |
|----|--|-----------|-------------------------------|
| 20 | General Fund—State Appropriation (FY 2018) | | ((\$5,985,000)) |
| 21 | | | <u>\$6,278,000</u> |
| 22 | General Fund—State Appropriation (FY 2019) | | ((\$6,085,000)) |
| 23 | | | <u>\$5,959,000</u> |
| 24 | <u>Pension Funding Stabilization Account—State</u> | | |
| 25 | <u>Appropriation.</u> | | <u>\$510,000</u> |
| 26 | TOTAL APPROPRIATION. | | ((\$12,070,000)) |
| 27 | | | <u>\$12,747,000</u> |

28 (5) INTERAGENCY PAYMENTS

| | | | |
|----|--|-----------|-------------------------------|
| 29 | General Fund—State Appropriation (FY 2018) | | ((\$44,091,000)) |
| 30 | | | <u>\$45,002,000</u> |
| 31 | General Fund—State Appropriation (FY 2019) | | ((\$41,176,000)) |
| 32 | | | <u>\$42,889,000</u> |
| 33 | TOTAL APPROPRIATION. | | ((\$85,267,000)) |
| 34 | | | <u>\$87,891,000</u> |

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

37 (a) \$13,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for the implementation of Substitute

1 House Bill No. 2638 (graduated reentry program). If the bill is not
2 enacted by June 30, 2018, the amount in this subsection shall lapse.

3 (b) \$72,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for implementation of Engrossed Second
5 Substitute House Bill No. 1889 (corrections ombuds). If the bill is
6 not enacted by June 30, 2018, the amount provided in this subsection
7 shall lapse.

8 (6) OFFENDER CHANGE

| | | | |
|----|--|-----------|--------------------------------|
| 9 | General Fund—State Appropriation (FY 2018) | | ((\$55,170,000)) |
| 10 | | | <u>\$52,685,000</u> |
| 11 | General Fund—State Appropriation (FY 2019) | | ((\$56,426,000)) |
| 12 | | | <u>\$56,724,000</u> |
| 13 | <u>Pension Funding Stabilization Account—State</u> | | |
| 14 | <u>Appropriation.</u> | | <u>\$4,434,000</u> |
| 15 | TOTAL APPROPRIATION. | | ((\$111,596,000)) |
| 16 | | | <u>\$113,843,000</u> |

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

19 (a) The department of corrections shall use funds appropriated in
20 this subsection (6) for offender programming. The department shall
21 develop and implement a written comprehensive plan for offender
22 programming that prioritizes programs which follow the risk-needs-
23 responsivity model, are evidence-based, and have measurable outcomes.
24 The department is authorized to discontinue ineffective programs and
25 to repurpose underspent funds according to the priorities in the
26 written plan.

27 (b) The department shall submit a report by December 1, 2018, to
28 the appropriate committees of the legislature regarding the
29 department's compliance with this subsection. The report must: (i)
30 Include a summary of the comprehensive plan; (ii) analyze state funds
31 allocated to cognitive behavioral change programs and reentry
32 specific programs, including percentages and amounts of funds used in
33 evidence-based practices and the number of people being served; (iii)
34 identify discontinued and newly implemented cognitive behavioral
35 change programs and reentry specific programs, including information
36 used by the department in evaluating the effectiveness of
37 discontinued and implemented programs; and (iv) provide
38 recommendations to improve program outcomes, including recommended
39 strategies, deadlines, and funding.

1 (c) Within the amounts appropriated in this section, funding is
2 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
3 offense/felony).

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

8 (7) HEALTH CARE SERVICES

| | | |
|----|---|--------------------------------|
| 9 | General Fund—State Appropriation (FY 2018). | ((\$128,680,000)) |
| 10 | | <u>\$144,271,000</u> |
| 11 | General Fund—State Appropriation (FY 2019). | ((\$127,782,000)) |
| 12 | | <u>\$146,621,000</u> |
| 13 | TOTAL APPROPRIATION. | ((\$256,462,000)) |
| 14 | | <u>\$290,892,000</u> |

15 The appropriations in this subsection are subject to the
16 following conditions and limitations: The state prison medical
17 facilities may use funds appropriated in this subsection to purchase
18 goods ~~((and))~~, supplies, and services through hospital or other group
19 purchasing organizations when it is cost effective to do so.

20 **Sec. 221.** 2017 3rd sp.s. c 1 s 221 (uncodified) is amended to
21 read as follows:

22 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

| | | |
|----|--|-------------------------------|
| 23 | General Fund—State Appropriation (FY 2018) | ((\$2,478,000)) |
| 24 | | <u>\$2,454,000</u> |
| 25 | General Fund—State Appropriation (FY 2019) | ((\$2,525,000)) |
| 26 | | <u>\$2,565,000</u> |
| 27 | General Fund—Federal Appropriation | ((\$25,276,00)) |
| 28 | | <u>\$25,274,000</u> |
| 29 | General Fund—Private/Local Appropriation | \$60,000 |
| 30 | <u>Pension Funding Stabilization Account—State</u> | |
| 31 | <u>Appropriation.</u> | <u>\$173,000</u> |
| 32 | TOTAL APPROPRIATION. | ((\$30,339,000)) |
| 33 | | <u>\$30,526,000</u> |

34 **Sec. 222.** 2017 3rd sp.s. c 1 s 222 (uncodified) is amended to
35 read as follows:

36 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

| | | |
|----|--|-----------------|
| 37 | <u>General Fund—State Appropriation (FY 2019).</u> | <u>\$35,000</u> |
|----|--|-----------------|

| | | |
|----|--|--------------------------------|
| 1 | General Fund—Federal Appropriation | ((\$216,993,000)) |
| 2 | | <u>\$209,332,000</u> |
| 3 | General Fund—Private/Local Appropriation | ((\$35,426,000)) |
| 4 | | <u>\$35,405,000</u> |
| 5 | Unemployment Compensation Administration Account—Federal | |
| 6 | Appropriation | ((\$270,643,000)) |
| 7 | | <u>\$269,350,000</u> |
| 8 | Administrative Contingency Account—State | |
| 9 | Appropriation | ((\$20,386,000)) |
| 10 | | <u>\$20,407,000</u> |
| 11 | Employment Service Administrative Account—State | |
| 12 | Appropriation | ((\$53,555,000)) |
| 13 | | <u>\$53,804,000</u> |
| 14 | Family and Medical Leave Insurance Account—State | |
| 15 | Appropriation. | \$82,000,000 |
| 16 | TOTAL APPROPRIATION. | ((\$679,003,000)) |
| 17 | | <u>\$670,333,000</u> |

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

20 (1) The department is directed to maximize the use of federal
21 funds. The department must update its budget annually to align
22 expenditures with anticipated changes in projected revenues.

23 (2) \$4,152,000 of the unemployment compensation administration
24 account—federal appropriation is provided solely to the unemployment
25 tax and benefits systems and is subject to the conditions,
26 limitations, and review provided in section 724 of this act.

27 (3) \$82,000,000 of the family and medical leave insurance account
28 —state appropriation is provided solely for implementation of
29 Substitute House Bill No. 1116 (family and medical leave insurance),
30 Senate Bill No. 5975 (paid family and medical leave), or Senate Bill
31 No. 5032 (family and medical leave insurance). If none of the bills
32 are enacted by July 31, 2017, the amount provided in this subsection
33 shall lapse.

34 (4) \$35,000 of the general fund—state appropriation for fiscal
35 year 2019 is provided solely for the implementation of Engrossed
36 Second Substitute House Bill No. 1600 (career and college readiness).
37 If the bill is not enacted by June 30, 2018, the amount provided in
38 this subsection shall lapse.

1 (5) \$530,000 of the unemployment compensation administration
2 account—federal appropriation is provided solely for the
3 implementation of Substitute House Bill No. 2703 (ed. employee comp.
4 claims). If the bill is not enacted by June 30, 2018, the amount
5 provided in this subsection shall lapse.

6 (6) \$222,000 of the unemployment compensation administration
7 account—federal appropriation is provided solely for the
8 implementation of Engrossed House Bill No. 2957 (nonnative finfish
9 escape). If the bill is not enacted by June 30, 2018, the amount
10 provided in this subsection shall lapse.

11 **Sec. 223.** 2017 3rd sp.s. c 1 s 223 (uncodified) is amended to
12 read as follows:

13 **FOR THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES**

14 (1) CHILDREN AND FAMILIES SERVICES PROGRAM

| | |
|---|--------------------------------|
| 15 General Fund—State Appropriation (FY 2019) | ((\$366,467,000)) |
| | <u>\$361,756,000</u> |
| 17 General Fund—Federal Appropriation. | ((\$236,770,000)) |
| | <u>\$246,625,000</u> |
| 19 General Fund—Private/Local Appropriation. | \$1,477,000 |
| 20 Domestic Violence Prevention Account—State | |
| 21 Appropriation. | \$1,002,000 |
| 22 <u>Pension Funding Stabilization Account—State</u> | |
| 23 <u>Appropriation.</u> | <u>\$13,976,000</u> |
| 24 TOTAL APPROPRIATION. | ((\$605,716,000)) |
| | <u>\$624,836,000</u> |

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

28 (a) \$748,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely to contract for the operation of one
30 pediatric interim care center. The center shall provide residential
31 care for up to thirteen children through two years of age. Seventy-
32 five percent of the children served by the center must be in need of
33 special care as a result of substance abuse by their mothers. The
34 center shall also provide on-site training to biological, adoptive,
35 or foster parents. The center shall provide at least three months of
36 consultation and support to the parents accepting placement of
37 children from the center. The center may recruit new and current
38 foster and adoptive parents for infants served by the center. The

1 department shall not require case management as a condition of the
2 contract.

3 (b) \$253,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for the costs of hub home foster
5 families that provide a foster care delivery model that includes a
6 licensed hub home. Use of the hub home model is intended to support
7 foster parent retention, improve child outcomes, and encourage the
8 least restrictive community placements for children in out-of-home
9 care.

10 (c) \$579,000 of the general fund—state appropriation for fiscal
11 year 2019 and \$55,000 of the general fund—federal appropriation are
12 provided solely for a receiving care center east of the Cascade
13 mountains.

14 (d) \$990,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided solely for services provided through children's
16 advocacy centers.

17 (e) \$1,351,000 of the general fund—state appropriation for fiscal
18 year 2019 is provided solely for implementation of performance-based
19 contracts for family support and related services pursuant to RCW
20 74.13B.020.

21 (f) \$7,173,000 of the general fund—state appropriation for fiscal
22 year 2019 and \$6,022,000 of the general fund—federal appropriation
23 are provided solely for family assessment response. Amounts
24 appropriated in this subsection are sufficient to implement
25 Substitute Senate Bill No. 6309 (family assessment response).

26 (g) \$94,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely for a contract with a child advocacy
28 center in Spokane to provide continuum of care services for children
29 who have experienced abuse or neglect and their families.

30 (h) \$2,933,000 of the general fund—state appropriation for fiscal
31 year 2019 and \$876,000 of the general fund—federal appropriation are
32 provided solely for the department to reduce the caseload ratios of
33 social workers serving children in foster care to promote decreased
34 lengths of stay and to make progress towards achievement of the Braam
35 settlement caseload outcome.

36 (i)(A) \$540,000 of the general fund—state appropriation for
37 fiscal year 2019, \$328,000 of the general fund private/local
38 appropriation, and \$126,000 of the general fund—federal appropriation
39 are provided solely for a contract with an educational advocacy

1 provider with expertise in foster care educational outreach. The
2 amounts in this subsection are provided solely for contracted
3 education coordinators to assist foster children in succeeding in
4 K-12 and higher education systems and to assure a focus on education
5 during the department's transition to performance-based contracts.
6 Funding must be prioritized to regions with high numbers of foster
7 care youth, or regions where backlogs of youth that have formerly
8 requested educational outreach services exist. The department is
9 encouraged to use private matching funds to maintain educational
10 advocacy services.

11 (B) The department shall contract with the office of the
12 superintendent of public instruction, which in turn shall contract
13 with a nongovernmental entity or entities to provide educational
14 advocacy services pursuant to RCW 28A.300.590.

15 (j) The department shall continue to implement policies to reduce
16 the percentage of parents requiring supervised visitation, including
17 clarification of the threshold for transition from supervised to
18 unsupervised visitation prior to reunification.

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

33 (l) \$321,000 of the general fund—state appropriation for fiscal
34 year 2019 and \$133,000 of the general fund—federal appropriation are
35 provided solely to implement chapter 265, Laws of 2017 (SHB 1867)
36 (ext. foster care transitions).

37 (m) \$400,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for a contract with a national nonprofit
39 organization to, in partnership with private matching funds,

1 subcontract with a community organization for specialized, enhanced
2 adoption placement services for legally free children in state
3 custody. The contract must supplement, but not supplant, the work of
4 the department to secure permanent adoptive homes for children.

5 (n) \$375,000 of the general fund—state appropriation for fiscal
6 year 2019 and \$56,000 of the general fund—federal appropriation are
7 provided solely for the department to develop, implement, and expand
8 strategies to improve the capacity, reliability, and effectiveness of
9 contracted visitation services for children in temporary out-of-home
10 care and their parents and siblings. Strategies may include, but are
11 not limited to, increasing mileage reimbursement for providers,
12 offering transportation-only contract options, and mechanisms to
13 reduce the level of parent-child supervision when doing so is in the
14 best interest of the child. The department must submit an analysis of
15 the strategies and associated outcomes no later than October 1, 2018.

16 (o) (~~(\$3,600,000 of the general fund—state appropriation for~~
17 ~~fiscal year 2019 is provided solely for state supplemental payments~~
18 ~~for the state maintenance of effort requirement to qualify for~~
19 ~~medicaid federal financial participation.)) For purposes of meeting
20 the state's maintenance of effort for the state supplemental payment
21 program, the department of children, youth, and families shall track
22 and report to the department of social and health services the
23 monthly state supplemental payment amounts attributable to foster
24 care children who meet eligibility requirements specified in the
25 state supplemental payment state plan. Such expenditures must equal
26 at least \$3,100,000 annually and may not be claimed toward any other
27 federal maintenance of effort requirement. Annual state supplemental
28 payment expenditure targets must continue to be established by the
29 department of social and health services. Attributable amounts must
30 be communicated by the department of children, youth, and families to
31 the department of social and health services on a monthly basis.~~

32 (p) \$1,018,000 of the general fund—state appropriation for fiscal
33 year 2019 and \$195,000 of the general fund—federal appropriation are
34 provided solely for a six percent base rate increase for child care
35 center providers, effective September 1, 2017.

36 (q) \$1,230,000 of the general fund—state appropriation for fiscal
37 year 2019 and \$78,000 of the general fund—federal appropriation are
38 provided solely to increase the travel reimbursement for in-home
39 service providers.

1 (r) The department is encouraged to control exceptional
2 reimbursement decisions so that the child's needs are met without
3 excessive costs.

4 (s) \$1,342,000 of the general fund—state appropriation for fiscal
5 year 2019 and \$959,000 of the general fund—federal appropriation are
6 provided solely to implement Engrossed Substitute Senate Bill No.
7 5890 (foster care and adoption). Within the amounts provided in this
8 section, \$366,000 of the general fund—state appropriation for fiscal
9 year 2019 and \$174,000 of the general fund—federal appropriation are
10 provided solely for short-term care for licensed foster families. If
11 the bill is not enacted by July 31, 2017, the amounts provided in
12 this subsection shall lapse.

13 (t) \$197,000 of the general fund—state appropriation for fiscal
14 year 2019 is provided solely for the department to conduct biennial
15 inspections and certifications of facilities, both overnight and day
16 shelters, that serve those who are under 18 years old and are
17 homeless.

18 (u) \$848,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for the department to operate emergent
20 placement contracts. The department shall not include the costs to
21 operate emergent placement contracts in the calculations for family
22 foster home maintenance payments.

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

26 (w) \$250,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely for the department to contract with a
28 county-wide nonprofit organization with early childhood expertise in
29 Pierce county for a pilot project that convenes stakeholders to
30 develop and plan an intervention using the help me grow model to
31 prevent child abuse and neglect.

32 (x) \$692,000 of the general fund—state appropriation for fiscal
33 year 2019 and \$487,000 of the general fund—federal appropriation are
34 provided solely for the department to implement an enhanced rate add-
35 on for providers who increase bed capacity for behavioral
36 rehabilitation services as measured against the provider's average
37 bed capacity as of the first six months of fiscal year 2018. The
38 department must report to the legislature no later than January 1,
39 2019, on the effect of this enhanced rate add-on on increasing

1 behavioral rehabilitation services bed capacity and rates of
2 placement.

3 (y) \$100,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for implementation of Engrossed House
5 Bill No. 2008 (state services for children). If the bill is not
6 enacted by June 30, 2018, the amount provided in this subsection
7 shall lapse.

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

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

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

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

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

36 (II) Disaggregated data by race and ethnicity;

37 (B) Consider the outcomes, needs, and services for children and
38 youth in foster care and children and youth experiencing

1 homelessness, and the specific needs of children and youth of color
2 and those with special education needs;

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

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

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

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

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

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

22 (IV) Address system barriers such as data sharing;

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

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

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

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

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

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

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

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

16 (2) EARLY LEARNING PROGRAM

| | | |
|----|---|--------------------------------|
| 17 | General Fund—State Appropriation (FY 2019) | ((\$126,721,000)) |
| 18 | | <u>\$126,846,000</u> |
| 19 | General Fund—Federal Appropriation | ((\$148,179,000)) |
| 20 | | <u>\$149,289,000</u> |
| 21 | Education Legacy Trust Account—State Appropriation | ((\$14,192,000)) |
| 22 | | <u>\$14,190,000</u> |
| 23 | Home Visiting Services Account—State Appropriation | ((\$3,191,000)) |
| 24 | | <u>\$5,489,000</u> |
| 25 | Home Visiting Services Account—Federal | |
| 26 | Appropriation | ((\$11,708,000)) |
| 27 | | <u>\$11,706,000</u> |
| 28 | WA Opportunity Pathways Account—State Appropriation | \$40,000,000 |
| 29 | <u>Pension Funding Stabilization Account—State</u> | |
| 30 | <u>Appropriation.</u> | <u>\$468,000</u> |
| 31 | TOTAL APPROPRIATION. | ((\$343,991,000)) |
| 32 | | <u>\$347,988,000</u> |

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

35 (a) \$67,938,000 of the general fund—state appropriation for
36 fiscal year 2019, \$12,125,000 of the education legacy trust account—
37 state appropriation, and \$40,000,000 of the opportunity pathways
38 account appropriation are provided solely for the early childhood

1 education and assistance program. These amounts shall support at
2 least 13,491 slots in fiscal year 2019.

3 (b) \$200,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely to develop and provide culturally
5 relevant supports for parents, family, and other caregivers.

6 (c)(i) The department is the lead agency for and recipient of the
7 federal child care and development fund grant. Amounts within this
8 grant shall be used to fund child care licensing, quality
9 initiatives, agency administration, and other costs associated with
10 child care subsidies. The department shall transfer a portion of this
11 grant to the department of social and health services to fund the
12 child care subsidies paid by the department of social and health
13 services on behalf of the department.

14 (ii)(A) If the department receives additional federal child care
15 and development funding while the legislature is not in session, the
16 department shall request a federal allotment adjustment through the
17 unanticipated receipts process defined in RCW 43.79.270 and shall
18 prioritize its request based on the following priorities:

19 (I) Increasing child care rates comparable to market rates based
20 on the most recent market survey;

21 (II) Increasing access to infant and toddler child care;

22 (III) Increasing access to child care in geographic areas where
23 supply for subsidized child care does not meet the demand;

24 (IV) Providing nurse consultation services to licensed providers;

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

28 (VI) Meeting new or expanded federal mandates.

29 (B) The secretary of the department shall consult with the chairs
30 and ranking members of the appropriate policy committees of the
31 legislature prior to submitting the unanticipated receipt.

32 (d)(i) (~~(\$76,650,000)~~) \$78,090,000 of the general fund—federal
33 appropriation is provided solely for the working connections child
34 care program under RCW 43.215.135. In order to not exceed the
35 appropriated amount, the department shall manage the program so that
36 the average monthly caseload does not exceed 33,000 households. The
37 department shall give prioritized access into the program according
38 to the following order:

39 (A) Families applying for or receiving temporary assistance for
40 needy families (TANF);

- 1 (B) TANF families curing sanction;
- 2 (C) Foster children;
- 3 (D) Families that include a child with special needs;
- 4 (E) Families in which a parent of a child in care is a minor who
5 is not living with a parent or guardian and who is a full-time
6 student in a high school that has a school-sponsored on-site child
7 care center;
- 8 (F) Families with a child residing with a biological parent or
9 guardian who have received child protective services, child welfare
10 services, or a family assessment response from the department in the
11 past six months, and has received a referral for child care as part
12 of the family's case management;
- 13 (G) Families that received subsidies within the last thirty days
14 and:
- 15 (I) Have reapplied for subsidies; and
- 16 (II) Have household income of two hundred percent federal poverty
17 level or below; and
- 18 (H) All other eligible families.
- 19 (ii) The department, in collaboration with the department of
20 social and health services, must submit a final report by December 1,
21 2018, to the governor and the appropriate fiscal and policy
22 committees of the legislature on quality control measures for the
23 working connections child care program. The report must include:
- 24 (A) A detailed narrative of the procurement and implementation of
25 an improved time and attendance system, including a detailed
26 accounting of the costs of procurement and implementation;
- 27 (B) A comprehensive description of all processes, including
28 computer algorithms and additional rule development, that the
29 department and the department of social and health services plan to
30 establish prior to and after full implementation of the time and
31 attendance system. At a minimum, processes must be designed to:
- 32 (I) Ensure the department's auditing efforts are informed by
33 regular and continuous alerts of the potential for overpayments;
- 34 (II) Avoid overpayments to the maximum extent possible and
35 expediently recover overpayments that have occurred;
- 36 (III) Withhold payment from providers when necessary to
37 incentivize receipt of the necessary documentation to complete an
38 audit;
- 39 (IV) Establish methods for reducing future payments or
40 establishing repayment plans in order to recover any overpayments;

1 (V) Sanction providers, including termination of eligibility, who
2 commit intentional program violations or fail to comply with program
3 requirements, including compliance with any established repayment
4 plans; and

5 (VI) Consider pursuit of prosecution in cases with fraudulent
6 activity; and

7 (C) A description of the process by which fraud is identified and
8 how fraud investigations are prioritized and expedited.

9 (iii) Beginning July 1, 2018, and annually thereafter, the
10 department, in collaboration with the department of social and health
11 services, must report to the governor and the appropriate fiscal and
12 policy committees of the legislature on the status of overpayments in
13 the working connections child care program. The report must include
14 the following information for the previous fiscal year:

15 (A) A summary of the number of overpayments that occurred;

16 (B) The reason for each overpayment;

17 (C) The total cost of overpayments;

18 (D) A comparison to overpayments that occurred in the past two
19 preceding fiscal years; and

20 (E) Any planned modifications to internal processes that will
21 take place in the coming fiscal year to further reduce the occurrence
22 of overpayments.

23 (e) Within available amounts, the department in consultation with
24 the office of financial management and the department of social and
25 health services shall report enrollments and active caseload for the
26 working connections child care program to the legislative fiscal
27 committees and the legislative-executive WorkFirst oversight task
28 force on an agreed upon schedule. The report shall also identify the
29 number of cases participating in both temporary assistance for needy
30 families and working connections child care. The department must also
31 report on the number of children served through contracted slots.

32 (f) \$1,560,000 of the general fund—state appropriation for fiscal
33 year 2019 and \$6,712,000 of the general fund—federal appropriation
34 are provided solely for the seasonal child care program. If federal
35 sequestration cuts are realized, cuts to the seasonal child care
36 program must be proportional to other federal reductions made within
37 the department.

38 (g) (~~(\$2,522,000)~~) \$4,674,000 of the general fund—state
39 appropriation for fiscal year 2019 is provided solely for the early

1 childhood intervention prevention services (ECLIPSE) program. The
2 department shall contract for ECLIPSE services to provide therapeutic
3 child care and other specialized treatment services to abused,
4 neglected, at-risk, and/or drug-affected children. The department
5 shall ensure that contracted providers pursue receipt of federal
6 funding associated with the early support for infants and toddlers
7 program. Priority for services shall be given to children referred
8 from the department.

9 (h) (~~(\$45,359,000)~~) \$42,706,000 of the general fund—state
10 appropriation for fiscal year 2019 and \$13,954,000 of the general
11 fund—federal appropriation are provided solely to maintain the
12 requirements set forth in chapter 7, Laws of 2015, 3rd sp. sess. The
13 department shall place a ten percent administrative overhead cap on
14 any contract entered into with the University of Washington. In its
15 annual report to the governor and the legislature, the department
16 shall report the total amount of funds spent on the quality rating
17 and improvements system and the total amount of funds spent on degree
18 incentives, scholarships, and tuition reimbursements. Of the amounts
19 provided in this subsection (h), \$577,000 of the general fund—state
20 appropriation for fiscal year 2019 is provided solely for a six
21 percent base rate increase for child care center providers.

22 (i) \$1,728,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely for reducing barriers for low-income
24 providers to participate in the early achievers program.

25 (j) \$300,000 of the general fund—state appropriation for fiscal
26 year 2019 is provided solely for a contract with a nonprofit entity
27 experienced in the provision of promoting early literacy for children
28 through pediatric office visits.

29 (k) \$2,000,000 of the education legacy trust account—state
30 appropriation is provided solely for early intervention assessment
31 and services.

32 (l) \$3,445,000 of the general fund—federal appropriation for
33 fiscal year 2019 is provided solely for the department to procure a
34 time and attendance system and are subject to the conditions,
35 limitations, and review provided in section 724 of this act.

36 (m) Information technology projects or investments and proposed
37 projects or investments impacting time capture, payroll and payment
38 processes and systems, eligibility, case management and authorization
39 systems within the department are subject to technical oversight by

1 the office of the chief information officer. The department must
2 collaborate with the office of the chief information officer to
3 develop a strategic business and technology architecture plan for a
4 child care attendance and billing system that supports a statewide
5 architecture.

6 (n)(i)(A) The department is required to provide to the education
7 research and data center, housed at the office of financial
8 management, data on all state-funded early childhood programs. These
9 programs include the early support for infants and toddlers, early
10 childhood education and assistance program (ECEAP), and the working
11 connections and seasonal subsidized childcare programs including
12 license exempt facilities or family, friend, and neighbor care. The
13 data provided by the department to the education research data center
14 must include information on children who participate in these
15 programs, including their name and date of birth, and dates the child
16 received services at a particular facility.

17 (B) ECEAP early learning professionals must enter any new
18 qualifications into the department's professional development
19 registry starting in the 2015-16 school year, and every school year
20 thereafter. By October 2017, and every October thereafter, the
21 department must provide updated ECEAP early learning professional
22 data to the education research data center.

23 (C) The department must request federally funded head start
24 programs to voluntarily provide data to the department and the
25 education research data center that is equivalent to what is being
26 provided for state-funded programs.

27 (D) The education research and data center must provide an
28 updated report on early childhood program participation and K-12
29 outcomes to the house of representatives appropriations committee and
30 the senate ways and means committee using available data by March
31 2018 for the school year ending in 2017.

32 (ii) The department, in consultation with the department of
33 social and health services, must withhold payment for services to
34 early childhood programs that do not report on the name, date of
35 birth, and the dates a child received services at a particular
36 facility.

37 (o) The department shall work with state and local law
38 enforcement, federally recognized tribal governments, and tribal law
39 enforcement to develop a process for expediting fingerprinting and

1 data collection necessary to conduct background checks for tribal
2 early learning and child care providers.

3 (p) \$2,651,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for the 2017-2019 collective bargaining
5 agreement covering family child care providers as set forth in
6 section 940 of this act. Amounts provided in this subsection (p) are
7 contingent upon the enactment of Senate Bill No. 5969 (transparency
8 in public employee collective bargaining). If the bill is not enacted
9 by July 31, 2017, the amount provided in this subsection shall lapse.

10 Of the amounts provided in this subsection:

11 (i) \$273,000 is for a base rate increase;

12 (ii) \$55,000 is for increasing paid professional development days
13 from three days to five days;

14 (iii) \$1,708,000 is for the family child care providers 501(c)(3)
15 organization for the substitute pool, training and quality
16 improvement support services, and administration;

17 (iv) \$114,000 is for increasing licensing incentive payments; and

18 (v) \$500,000 is for needs based grants.

19 (q) \$175,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for the department to contract with a
21 nonprofit entity that provides quality improvement services to
22 participants in the early achievers program to implement a community-
23 based training module that supports licensed child care providers who
24 have been rated in early achievers and who are specifically
25 interested in serving children in the early childhood education and
26 assistance program. The module must be functionally translated into
27 Spanish and Somali. The module must prepare trainees to administer
28 all aspects of the early childhood education and assistance program
29 for eligible children in their licensed program and must be offered
30 to 105 child care providers to serve children eligible for the early
31 childhood education and assistance program by June 30, 2019.

32 (r) \$219,000 of the general fund—state appropriation for fiscal
33 year 2019 is provided solely for implementation of chapter 236, Laws
34 of 2017 (SHB 1445) (dual language in early learning & K-12).

35 (s) \$100,000 of the general fund—state appropriation for fiscal
36 year 2019 is provided solely for implementation of chapter 202, Laws
37 of 2017 (E2SHB 1713) (children's mental health).

1 (t) \$317,000 of the general fund—state appropriation for fiscal
2 year 2019 are provided solely for implementation of chapter 162, Laws
3 of 2017 (SSB 5357) (outdoor early learning programs).

4 (u) \$50,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely for the department, in collaboration
6 with the department of health, to submit a report on child care nurse
7 consultation to the governor and appropriate fiscal and policy
8 committees of the legislature by December 1, 2018. The report must
9 address the following:

10 (i) Provide background on what nurse consultation services are
11 currently available to licensed child care providers; and

12 (ii) Provide options and recommendations, including fiscal
13 estimates, for a plan to provide nurse consultation services to
14 licensed child care providers who request assistance in addressing
15 the health and behavioral needs of children in their care.

16 (v) \$163,000 of the general fund—state appropriation for fiscal
17 year 2019 is provided solely for the department to develop a
18 community-based training module in managing and sustaining a child
19 care business for child care providers and entrepreneurs. To develop
20 the training, the department must consult with the statewide child
21 care resource and referral network, the community and technical
22 college system, and one or more community-based organizations with
23 experience in preparing child care providers for entry into the
24 workforce. By November 1, 2018, the department must offer the
25 training as a pilot in rural Jefferson county and urban Pierce
26 county. The department must report on the results of the pilot to the
27 governor and the legislature by December 1, 2019.

28 (w) \$74,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely for implementation of Engrossed House
30 Bill No. 2861 (trauma-informed child care). If the bill is not
31 enacted by June 30, 2018, the amount provided in this subsection
32 shall lapse.

33 (x) \$750,000 of the general fund—state appropriation for fiscal
34 year 2019 is provided solely for the implementation of the expanded
35 learning opportunity quality initiative pursuant to RCW
36 43.215.100(3)(d).

37 (y) \$150,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely to implement Engrossed Second Substitute
39 House Bill No. 2779 (children mental health services). If the bill is

1 not enacted by June 30, 2018, the amount provided in this subsection
2 shall lapse.

3 (3) PROGRAM SUPPORT

| | | | |
|---|--|-----------|-------------------------------|
| 4 | General Fund—State Appropriation (FY 2019) | | ((\$50,448,000)) |
| 5 | | | <u>\$51,709,000</u> |
| 6 | General Fund—Federal Appropriation. | | \$15,928,000 |
| 7 | TOTAL APPROPRIATION. | | ((\$66,376,000)) |
| 8 | | | <u>\$67,637,000</u> |

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

11 (a) The appropriations provided in this subsection are provided
12 solely for implementation of Engrossed Second Substitute House Bill
13 No. 1661 (child, youth, families department). If the bill is not
14 enacted by July 31, 2017, the amount provided in this subsection
15 shall lapse.

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

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

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

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

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

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

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

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

7 (c)(i) \$150,000 of the general fund—state appropriation for
8 fiscal year 2019 is provided solely for the department to conduct a
9 study, jointly with the office of homeless youth prevention and
10 protection programs within the department of commerce, on the public
11 system response to families and youth in crisis who are seeking
12 services to address family conflict in the absence of child abuse and
13 neglect.

14 (ii) In conducting the study required under this section, the
15 department and the office shall involve stakeholders involved in
16 advocating and providing services to truants and at-risk youth, and
17 shall consult with local jurisdictions, the Washington administrative
18 office of the courts, and other entities as appropriate. The study
19 shall review the utilization of existing resources such as secure
20 crisis residential centers, crisis residential centers, and HOPE beds
21 and make recommendations to assure effective use or redeployment of
22 these resources.

23 (iii) The department and office shall develop recommendations to
24 improve the delivery of services to youth and families in conflict
25 which shall include a plan to provide community-based early
26 intervention services as well as intensive interventions for families
27 and youth facing crisis so severe that a youth cannot continue to
28 reside in the home or is at risk of experiencing homelessness.
29 Recommendations may include changes to family reconciliation
30 services, and revisions to the at-risk youth and child in need of
31 services petition processes, including consideration of a combined
32 family in need of services petition process or a civil citation
33 process.

34 (iv) The department and the office shall jointly submit
35 recommendations required by this section to the governor and the
36 appropriate legislative committees no later than December 15, 2018.

37 (d) \$1,000,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely to support the implementation of the
39 department of children, youth, and families. The department must
40 submit an expenditure plan to the office of financial management and

1 may expend implementation funds after the approval of the director of
2 the office of financial management.

3 (e) \$111,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for implementation of Engrossed House
5 Bill No. 2008 (state services for children). If the bill is not
6 enacted by June 30, 2018, the amount provided in this subsection
7 shall lapse.

(End of part)

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) |
| | <u>\$468,000</u> |
| General Fund—State Appropriation (FY 2019) | (\$507,000) |
| | <u>\$496,000</u> |
| General Fund—Federal Appropriation | \$32,000 |
| General Fund—Private/Local Appropriation | (\$960,000) |
| | <u>\$978,000</u> |
| <u>Pension Funding Stabilization Account—State</u> | |
| <u>Appropriation</u> | <u>\$46,000</u> |
| TOTAL APPROPRIATION | (\$1,984,000) |
| | <u>\$2,020,000</u> |

Sec. 302. 2017 3rd sp.s. c 1 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

| | |
|--|----------------------|
| General Fund—State Appropriation (FY 2018) | (\$20,877,000) |
| | <u>\$19,735,000</u> |
| General Fund—State Appropriation (FY 2019) | (\$21,411,000) |
| | <u>\$22,505,000</u> |
| General Fund—Federal Appropriation | (\$106,575,000) |
| | <u>\$106,467,000</u> |
| General Fund—Private/Local Appropriation | (\$23,028,000) |
| | <u>\$23,008,000</u> |
| Reclamation Account—State Appropriation | (\$4,106,000) |
| | <u>\$4,101,000</u> |
| Flood Control Assistance Account—State Appropriation | (\$2,175,000) |
| | <u>\$4,173,000</u> |
| State Emergency Water Projects Revolving Account—State | |
| Appropriation | \$40,000 |
| Waste Reduction/Recycling/Litter Control—State | |
| Appropriation | (\$13,736,000) |
| | <u>\$14,787,000</u> |
| State Drought Preparedness Account—State Appropriation | \$204,000 |

| | | |
|----|---|--------------------------------|
| 1 | State and Local Improvements Revolving Account (Water | |
| 2 | Supply Facilities)—State Appropriation | \$164,000 |
| 3 | Aquatic Algae Control Account—State Appropriation | \$522,000 |
| 4 | Water Rights Tracking System Account—State Appropriation . . | \$47,000 |
| 5 | Site Closure Account—State Appropriation | \$582,000 |
| 6 | Wood Stove Education and Enforcement Account—State | |
| 7 | Appropriation | \$560,000 |
| 8 | Worker and Community Right-to-Know Account—State | |
| 9 | Appropriation | ((\$1,872,000)) |
| 10 | | <u>\$1,869,000</u> |
| 11 | Water Rights Processing Account—State Appropriation | \$39,000 |
| 12 | State Toxics Control Account—State Appropriation . . | ((\$147,806,000)) |
| 13 | | <u>\$149,327,000</u> |
| 14 | State Toxics Control Account—Private/Local | |
| 15 | Appropriation | \$499,000 |
| 16 | Local Toxics Control Account—State Appropriation . . . | ((\$4,845,000)) |
| 17 | | <u>\$4,864,000</u> |
| 18 | Water Quality Permit Account—State Appropriation . . | ((\$44,119,000)) |
| 19 | | <u>\$44,403,000</u> |
| 20 | Underground Storage Tank Account—State Appropriation . | ((\$3,635,000)) |
| 21 | | <u>\$3,661,000</u> |
| 22 | Biosolids Permit Account—State Appropriation | ((\$2,207,000)) |
| 23 | | <u>\$2,203,000</u> |
| 24 | Environmental Legacy Stewardship Account—State | |
| 25 | Appropriation | ((\$41,259,000)) |
| 26 | | <u>\$41,421,000</u> |
| 27 | Hazardous Waste Assistance Account—State | |
| 28 | Appropriation | ((\$6,466,000)) |
| 29 | | <u>\$6,593,000</u> |
| 30 | Radioactive Mixed Waste Account—State Appropriation . | ((\$18,170,000)) |
| 31 | | <u>\$18,425,000</u> |
| 32 | Air Pollution Control Account—State Appropriation . . | ((\$3,437,000)) |
| 33 | | <u>\$3,477,000</u> |
| 34 | Oil Spill Prevention Account—State Appropriation . . . | ((\$8,469,000)) |
| 35 | | <u>\$9,744,000</u> |
| 36 | Air Operating Permit Account—State Appropriation . . . | ((\$3,787,000)) |
| 37 | | <u>\$3,816,000</u> |
| 38 | Freshwater Aquatic Weeds Account—State Appropriation . | ((\$1,460,000)) |
| 39 | | <u>\$1,459,000</u> |

| | | |
|----|--|----------------------|
| 1 | Oil Spill Response Account—State Appropriation | \$7,076,000 |
| 2 | <u>Dedicated Marijuana Account—State Appropriation</u> | |
| 3 | <u>(FY 2019).</u> | <u>\$98,000</u> |
| 4 | <u>Pension Funding Stabilization Account—State</u> | |
| 5 | <u>Appropriation.</u> | <u>\$2,924,000</u> |
| 6 | Water Pollution Control Revolving Administration | |
| 7 | Account—State Appropriation | ((\$3,601,000)) |
| 8 | | \$3,595,000 |
| 9 | TOTAL APPROPRIATION. | ((\$492,774,000)) |
| 10 | | <u>\$502,388,000</u> |

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

13 (1) \$170,000 of the oil spill prevention account—state
14 appropriation is provided solely for a contract with the University
15 of Washington's sea grant program to continue an educational program
16 targeted to small spills from commercial fishing vessels, ferries,
17 cruise ships, ports, and marinas.

18 ~~((+3))~~ (2) \$15,000,000 of the general fund—state appropriation
19 for fiscal year 2018 and \$15,000,000 of the general fund—state
20 appropriation for fiscal year 2019 are provided solely for activities
21 within the water resources program.

22 ~~((+4))~~ (3) \$228,000 of the general fund—state appropriation for
23 fiscal year 2018 and \$227,000 of the general fund—state appropriation
24 for fiscal year 2019 are provided solely for the department to grant
25 to the northwest straits commission to distribute equally among the
26 seven Puget Sound marine resource committees.

27 ~~((+5))~~ (4) Within existing resources, the department of ecology
28 must engage stakeholders in a revision of WSR 13-22-073, rule
29 amendments to chapter 173-350 WAC, to revise the proposed rule and
30 submit a report to the senate local government and energy,
31 environment, and telecommunications committees and the house of
32 representatives local government and environment committees by
33 September 1, 2017. The report must include a summary of areas of
34 consensus and dispute, proposed resolution of disputes, a list of
35 engaged stakeholders, a proposed timeline for potential rule
36 adoption, and the most recent draft of proposed amendment language,
37 if any.

38 (5) \$180,000 of the general fund—state appropriation for fiscal
39 year 2019, \$44,000 of the waste reduction, recycling and litter

1 control account—state appropriation, \$720,000 of the state toxics
2 control account—state appropriation, \$17,000 of the local toxics
3 control account—state appropriation, \$220,000 of the water quality
4 permit account—state appropriation, \$23,000 of the underground
5 storage tank account—state appropriation, \$132,000 of the
6 environmental legacy stewardship account—state appropriation, \$39,000
7 of the hazardous waste assistance account—state appropriation,
8 \$86,000 of the radioactive mixed waste account—state appropriation,
9 \$18,000 of the air pollution control account—state appropriation,
10 \$41,000 of the oil spill prevention account—state appropriation, and
11 \$23,000 of the air operating permit account—state appropriation are
12 provided solely for modernizing and migrating the department of
13 ecology's business applications from an agency-based data center to
14 the state data center or a cloud environment and are subject to the
15 conditions, limitations, and review provided in section 724, chapter
16 1, Laws of 2017 3rd sp. sess.

17 (6) \$80,000 of the hazardous waste assistance account—state
18 appropriation is provided solely for the implementation of Substitute
19 House Bill No. 2634 (antifouling paints). If the bill is not enacted
20 by June 30, 2018, the amount provided in this subsection shall lapse.

21 (7) \$97,000 of the state toxics control account—state
22 appropriation is provided solely for the implementation of Engrossed
23 Substitute House Bill No. 2658 (perfluorinated chemicals). If the
24 bill is not enacted by June 30, 2018, the amount provided in this
25 subsection shall lapse.

26 (8) \$42,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$102,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for implementation of Executive
29 Order No. 12-07, Washington's response to ocean acidification.

30 (9) \$81,000 of the oil spill prevention account—state
31 appropriation is provided solely for rule-making and other
32 implementation costs of chapter 239, Laws of 2017 (short line
33 railroad).

34 (10) \$73,000 of the state toxics control account—state
35 appropriation is provided solely for implementing the provisions of
36 Engrossed Substitute Senate Bill No. 6413 (firefighting/toxic
37 chemicals). If the bill is not enacted by June 30, 2018, the amount
38 provided in this subsection shall lapse.

1 (11) \$1,143,000 of the oil spill prevention account—state
2 appropriation is provided solely for implementing the provisions of
3 Engrossed Second Substitute Senate Bill No. 6269 (strengthening oil
4 transportation safety). If the bill is not enacted by June 30, 2018,
5 the amount provided in this subsection shall lapse.

6 (12) \$190,000 of the general fund—state appropriation for fiscal
7 year 2018, \$1,707,000 of the general fund—state appropriation for
8 fiscal year 2019, and \$2,000,000 of the flood control assistance
9 account—state appropriation are provided solely for the
10 implementation of chapter 1, Laws of 2018 (ESSB 6091) (water
11 availability).

12 (13) \$11,000 of the state toxics control account—state
13 appropriation and \$17,000 of the air pollution control account—state
14 appropriation are provided solely for the implementation of
15 Substitute Senate Bill No. 6055 (apple maggot/outdoor burning). If
16 the bill is not enacted by June 30, 2018, the amounts provided in
17 this subsection shall lapse.

18 (14) \$14,000 of the state toxics control account—state
19 appropriation and \$13,000 of the water quality permit account—state
20 appropriation are provided solely for the implementation of Engrossed
21 House Bill No. 2957 (nonnative finfish escape). If the bill is not
22 enacted by June 30, 2018, the amounts provided in this subsection
23 shall lapse.

24 (15)(a) \$625,000 of the general fund—state appropriation for
25 fiscal year 2019 is provided solely to address water use in violation
26 of chapter 90.03 or 90.44 RCW in priority watersheds. The legislature
27 recognizes that water use in violation of chapter 90.03 or 90.44 RCW
28 in priority watersheds can impair existing instream flows and senior
29 water rights and supports actions taken by the department to reduce
30 water use in violation of chapter 90.03 or 90.44 RCW. The department
31 shall engage in compliance and enforcement work to ensure compliance
32 with requirements under chapters 90.03 and 90.44 RCW. Funding is
33 authorized to be used for technical assistance, informal enforcement,
34 and formal enforcement actions.

35 (b) The department shall use funds appropriated under this
36 section to work in water resource inventory areas where: (a) Rules
37 have been adopted under chapters 90.22 or 90.54 RCW; (b) those rules
38 do not specify mitigation requirements for groundwater withdrawals
39 exempt from permitting under RCW 90.44.050; and (c) the department

1 believes water use in violation of chapter 90.03 or 90.44 RCW is
2 negatively impacting streamflows.

3 (c) The department shall submit a report to the legislature by
4 December 1, 2019, that summarizes the compliance and enforcement work
5 completed in each basin, including the estimated benefit to
6 streamflows occurring from actions taken.

7 (d) Appropriations under this section should not replace or
8 otherwise impact funds appropriated to the department to carry out
9 duties under RCW 90.03.605 and chapter 90.08 RCW.

10 (16) \$187,000 of the state toxics control account—state
11 appropriation is provided solely to the department to begin a
12 multiyear study to distinguish the sources of emissions of the toxic
13 air pollutant that poses the greatest cancer risk at the air
14 monitoring station that is located closest to a port in the state
15 with the highest volume of container traffic in domestic and foreign
16 waterborne trade, as measured by the United States bureau of
17 transportation statistics for the most recent year such statistics
18 were available, as of January 1, 2017. The local air pollution
19 control authority may financially contribute to the completion of
20 this study, and the department is encouraged to consult with the
21 local air pollution control authority in designing and implementing
22 this study.

23 (17) \$98,000 of the dedicated marijuana account—state
24 appropriation for fiscal year 2019 is provided solely for the
25 department to begin conducting research into appropriate protocols
26 and accreditation standards for marijuana testing laboratories. By
27 January 15, 2019, the department must report to the appropriate
28 committees of the legislature with preliminary recommendations
29 regarding laboratory accreditation standards that should be applied
30 to marijuana testing laboratories.

31 **Sec. 303.** 2017 3rd sp.s. c 1 s 303 (uncodified) is amended to
32 read as follows:

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

| | | | |
|----|--|-----------|------------------------------|
| 34 | General Fund—State Appropriation (FY 2018) | | ((\$9,645,000)) |
| 35 | | | \$8,993,000 |
| 36 | General Fund—State Appropriation (FY 2019) | | ((\$9,945,000)) |
| 37 | | | \$10,328,000 |
| 38 | General Fund—Federal Appropriation | | ((\$6,981,000)) |

| | | |
|----|--|--------------------------------|
| 1 | | <u>\$6,977,000</u> |
| 2 | Winter Recreation Program Account—State Appropriation | ((\$3,293,000)) |
| 3 | | <u>\$3,292,000</u> |
| 4 | ORV and Nonhighway Vehicle Account—State Appropriation | ((\$232,000)) |
| 5 | | <u>\$392,000</u> |
| 6 | Snowmobile Account—State Appropriation | ((\$5,633,000)) |
| 7 | | <u>\$5,632,000</u> |
| 8 | Aquatic Lands Enhancement Account—State Appropriation . . . | \$367,000 |
| 9 | ((Outdoor Education and Recreation Account—State | |
| 10 | Appropriation. | \$1,500,000)) |
| 11 | Recreation Access Pass Account—State Appropriation. | \$50,000 |
| 12 | Parks Renewal and Stewardship Account—State | |
| 13 | Appropriation | ((\$124,759,000)) |
| 14 | | <u>\$124,299,000</u> |
| 15 | Parks Renewal and Stewardship Account—Private/Local | |
| 16 | Appropriation | ((\$318,000)) |
| 17 | | <u>\$420,000</u> |
| 18 | <u>Pension Funding Stabilization Account—State</u> | |
| 19 | <u>Appropriation.</u> | <u>\$1,498,000</u> |
| 20 | TOTAL APPROPRIATION. | ((\$162,723,000)) |
| 21 | | <u>\$162,248,000</u> |

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

24 (1) \$129,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$129,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for a grant for the operation of
27 the Northwest weather and avalanche center.

28 (2) \$100,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$100,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for the commission to pay
31 assessments charged by local improvement districts.

32 (3) \$700,000 of the parks renewal and stewardship account—state
33 appropriation is provided solely for the commission to replace 32
34 existing automated pay stations and to install 38 additional
35 automated pay stations within state parks.

36 (4) ~~((~~\$500,000 of the outdoor education and recreation account—~~~~
37 ~~state appropriation is provided solely for the commission to partner~~
38 ~~with organizations that have at least one veteran on staff in~~
39 ~~implementation of the no child left inside program.~~

1 ~~(5))~~ \$50,000 of the recreation access pass account—state
2 appropriation is provided solely for the commission, using its
3 authority under RCW 79A.05.055(3) and in partnership with the
4 department of fish and wildlife and the department of natural
5 resources, to coordinate a process to develop options and
6 recommendations to improve consistency, equity, and simplicity in
7 recreational access fee systems while accounting for the fiscal
8 health and stability of public land management. The process must be
9 collaborative and include other relevant agencies and appropriate
10 stakeholders. The commission must contract with the William D.
11 Ruckelshaus Center or another neutral third party to facilitate
12 meetings and discussions with parties involved in the process and
13 provide a report to the appropriate committees of the legislature by
14 December 1, 2017. The process must analyze and make recommendations
15 on:

16 (a) Opportunities for federal and state recreational permit fee
17 coordination, including the potential for developing a system that
18 allows a single pass to provide access to federal and state lands;

19 (b) Opportunities to enhance consistency in the way state and
20 federal recreational access fees apply to various types of
21 recreational users, including those that travel to public lands by
22 motor vehicle, boat, bicycle, foot, or another method; and

23 (c) Opportunities to develop a comprehensive and consistent
24 statewide approach to recreational fee discounts and exemptions to
25 social and other groups including, but not limited to, disabled
26 persons, seniors, disabled veterans, foster families, low-income
27 residents, and volunteers. This analysis must examine the cost of
28 such a program, and should consider how recreational fee discounts
29 fit into the broader set of benefits provided by the state to these
30 social groups. This includes a review of the efficacy, purpose, and
31 cost of existing recreational fee discounts and exemptions, as well
32 as opportunities for new or modified social group discounts and
33 exemptions. The department of veterans affairs and the department of
34 social and health services must be included in this portion of the
35 process.

36 (5) \$100,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the commission to carry out forest
38 health related activities at the Squilchuck state park.

1 **Sec. 304.** 2017 3rd sp.s. c 1 s 304 (uncodified) is amended to
2 read as follows:

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

| | | |
|----|---|-------------------------------|
| 4 | General Fund—State Appropriation (FY 2018) | ((\$1,441,000)) |
| 5 | | <u>\$1,401,000</u> |
| 6 | General Fund—State Appropriation (FY 2019) | ((\$1,398,000)) |
| 7 | | <u>\$1,483,000</u> |
| 8 | General Fund—Federal Appropriation | ((\$3,646,000)) |
| 9 | | <u>\$3,642,000</u> |
| 10 | General Fund—Private/Local Appropriation | \$24,000 |
| 11 | Aquatic Lands Enhancement Account—State Appropriation . | ((\$495,000)) |
| 12 | | <u>\$494,000</u> |
| 13 | Firearms Range Account—State Appropriation | \$37,000 |
| 14 | Recreation Resources Account—State Appropriation . . . | ((\$3,615,000)) |
| 15 | | <u>\$3,610,000</u> |
| 16 | NOVA Program Account—State Appropriation | ((\$1,054,000)) |
| 17 | | <u>\$1,052,000</u> |
| 18 | <u>Pension Funding Stabilization Account—State</u> | |
| 19 | <u>Appropriation.</u> | <u>\$80,000</u> |
| 20 | TOTAL APPROPRIATION. | ((\$11,710,000)) |
| 21 | | <u>\$11,823,000</u> |

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

24 (1) \$156,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$156,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for the board to grant to the
27 Nisqually River Foundation for implementation of the Nisqually
28 watershed stewardship plan.

29 (2) \$375,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$375,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for the salmon recovery funding
32 board to grant to the Hood Canal coordinating council for the sole
33 purpose of conducting an ecosystem impact assessment on the Hood
34 Canal. The assessment is to study any causal relationship between the
35 Hood Canal bridge and migrating steelhead and salmon. The board shall
36 amend the grant to specify that all assessment activities conducted
37 as a result of this subsection must be coordinated with the United
38 States Navy.

1 (3) \$125,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the board to conduct or contract for
3 a study of the economic and health benefits of trail-based
4 activities, including hiking, walking, and bicycling. The information
5 gathered will assist in decision-making regarding the allocation of
6 dedicated resources and investment in Washington's trail networks.
7 Additionally, the information will aid in increasing and leveraging
8 economic benefits in the development of public-private partnerships
9 aimed at stewardship and growth connected to Washington's trail
10 networks. The study may include, but is not limited to, analysis of
11 the number of people in the state who hike, bike, and walk annually,
12 economic contribution, environmental and social benefits, and mental
13 and physical health outcomes. The study may also include regional
14 case studies. As appropriate, the analysis must incorporate data from
15 the state comprehensive outdoor recreation plan and federal
16 initiatives to integrate outdoor recreation into GDP accounting. To
17 allow for a collaborative process, the board must create an advisory
18 committee of appropriate agencies and stakeholders, including hiking
19 and bicycling groups. The board must report the results of the study
20 to the appropriate fiscal and policy committees of the legislature by
21 October 1, 2019.

22 **Sec. 305.** 2017 3rd sp.s. c 1 s 305 (uncodified) is amended to
23 read as follows:

24 **FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE**

| | | | |
|----|--|-----------|------------------------------|
| 25 | General Fund—State Appropriation (FY 2018) | | ((\$2,318,000)) |
| 26 | | | <u>\$2,190,000</u> |
| 27 | General Fund—State Appropriation (FY 2019) | | ((\$2,375,000)) |
| 28 | | | <u>\$2,245,000</u> |
| 29 | <u>Pension Funding Stabilization Account—State</u> | | |
| 30 | <u>Appropriation.</u> | | <u>\$255,000</u> |
| 31 | TOTAL APPROPRIATION. | | ((\$4,693,000)) |
| 32 | | | <u>\$4,690,000</u> |

33 **Sec. 306.** 2017 3rd sp.s. c 1 s 306 (uncodified) is amended to
34 read as follows:

35 **FOR THE CONSERVATION COMMISSION**

| | | | |
|----|--|-----------|------------------------------|
| 36 | General Fund—State Appropriation (FY 2018) | | ((\$7,301,000)) |
| 37 | | | <u>\$7,074,000</u> |

| | | |
|----|--|-------------------------------|
| 1 | General Fund—State Appropriation (FY 2019) | ((\$7,264,000)) |
| 2 | | <u>\$7,329,000</u> |
| 3 | General Fund—Federal Appropriation | \$2,301,000 |
| 4 | Public Works Assistance Account—State Appropriation. | ((\$7,620,000)) |
| 5 | | <u>\$7,619,000</u> |
| 6 | State Toxics Control Account—State Appropriation | \$1,000,000 |
| 7 | <u>Pension Funding Stabilization Account—State</u> | |
| 8 | <u>Appropriation.</u> | <u>\$254,000</u> |
| 9 | TOTAL APPROPRIATION. | ((\$25,486,000)) |
| 10 | | <u>\$25,577,000</u> |

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

13 (1) \$7,602,000 of the public works assistance account—state
14 appropriation is provided solely for implementation of the voluntary
15 stewardship program. This amount may not be used to fund agency
16 indirect and administrative expenses.

17 (2)(a) \$50,000 of the general fund—state appropriation for fiscal
18 year 2018 (~~is~~) and \$100,000 of the general fund—state appropriation
19 for fiscal year 2019 are provided solely for the commission to
20 convene and facilitate a food policy forum. The director of the
21 commission is responsible for appointing participating members of the
22 food policy forum in consultation with the director of the department
23 of agriculture. In making appointments, the director of the
24 commission must attempt to ensure a diversity of knowledge,
25 experience, and perspectives by building on the representation
26 established by the food system roundtable initiated by executive
27 order No. 10-02.

28 (b) In addition to members appointed by the director of the state
29 conservation commission, four legislators may serve on the food
30 policy forum in an ex officio capacity. Legislative participants must
31 be appointed as follows:

32 (i) The speaker of the house of representatives shall appoint one
33 member from each of the two largest caucuses of the house of
34 representatives; and

35 (ii) The president of the senate shall appoint one member from
36 each of the two largest caucuses of the senate.

37 (c) The commission shall coordinate with the office of farmland
38 preservation and the department of agriculture to avoid duplication
39 of effort. The commission must report to the appropriate committees

1 of the legislature, consistent with RCW 43.01.036, with the forum's
2 recommendations by (~~October 31, 2018~~) June 30, 2019.

3 (3) (~~(\$375,000)~~) \$275,000 of the general fund—state appropriation
4 for fiscal year 2018 and (~~(\$375,000)~~) \$475,000 of the general fund—
5 state appropriation for fiscal year 2019 are provided solely for
6 grants and technical assistance. Of the amounts provided in this
7 subsection, (~~(\$125,000 in each fiscal year is)~~) \$25,000 in fiscal
8 year 2018 and \$225,000 in fiscal year 2019 are provided solely for
9 activities related to water quality improvements and fecal coliform
10 DNA speciation statewide.

11 *Sec. 307. 2017 3rd sp.s. c 1 s 307 (uncodified) is amended to
12 read as follows:

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

| | | | |
|----|--|------------------|------------------------------------|
| 14 | General Fund—State Appropriation (FY 2018) | | ((\$46,860,000)) |
| 15 | | | <u>\$45,121,000</u> |
| 16 | General Fund—State Appropriation (FY 2019) | | ((\$46,483,000)) |
| 17 | | | <u>\$47,569,000</u> |
| 18 | General Fund—Federal Appropriation | | ((\$118,809,000)) |
| 19 | | | <u>\$130,365,000</u> |
| 20 | General Fund—Private/Local Appropriation | | ((\$63,920,000)) |
| 21 | | | <u>\$63,918,000</u> |
| 22 | ORV and Nonhighway Vehicle Account—State Appropriation | | ((\$437,000)) |
| 23 | | | <u>\$699,000</u> |
| 24 | Aquatic Lands Enhancement Account—State | | |
| 25 | Appropriation | | ((\$10,460,000)) |
| 26 | | | <u>\$10,423,000</u> |
| 27 | Recreational Fisheries Enhancement—State | | |
| 28 | Appropriation | | ((\$3,084,000)) |
| 29 | | | <u>\$3,118,000</u> |
| 30 | Warm Water Game Fish Account—State Appropriation | | ((\$2,773,000)) |
| 31 | | | <u>\$2,660,000</u> |
| 32 | Eastern Washington Pheasant Enhancement Account—State | | |
| 33 | Appropriation | | \$675,000 |
| 34 | State Wildlife Account—State Appropriation | | ((\$118,033,000)) |
| 35 | | | <u>\$117,751,000</u> |
| 36 | Special Wildlife Account—State Appropriation | | ((\$71,000)) |
| 37 | | | <u>\$3,234,000</u> |
| 38 | Special Wildlife Account—Federal Appropriation | | \$505,000 |

| | | |
|----|--|--------------------------------|
| 1 | Special Wildlife Account—Private/Local Appropriation | ((\$3,576,000)) |
| 2 | | <u>\$3,573,000</u> |
| 3 | Wildlife Rehabilitation Account—State Appropriation | \$361,000 |
| 4 | Ballast Water <u>and Biofouling</u> Management Account—State | |
| 5 | Appropriation. | \$10,000 |
| 6 | Hydraulic Project Approval Account—State Appropriation | ((\$690,000)) |
| 7 | | <u>\$29,000</u> |
| 8 | Environmental Legacy Stewardship Account—State | |
| 9 | Appropriation | ((\$2,765,000)) |
| 10 | | <u>\$2,763,000</u> |
| 11 | Regional Fisheries Enhancement Salmonid Recovery Account— | |
| 12 | Federal Appropriation | \$5,001,000 |
| 13 | Oil Spill Prevention Account—State Appropriation | ((\$1,122,000)) |
| 14 | | <u>\$1,120,000</u> |
| 15 | <u>Pension Funding Stabilization Account—State</u> | |
| 16 | <u>Appropriation.</u> | <u>\$5,178,000</u> |
| 17 | Oyster Reserve Land Account—State Appropriation | \$527,000 |
| 18 | Performance Audits of Government Account—State | |
| 19 | Appropriation. | \$325,000 |
| 20 | Aquatic Invasive Species Management Account—State | |
| 21 | Appropriation. | ((\$1,658,000)) |
| 22 | | <u>\$1,656,000</u> |
| 23 | TOTAL APPROPRIATION. | ((\$428,145,000)) |
| 24 | | <u>\$446,581,000</u> |

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

27 (1) ((~~\$467,000~~)) \$67,000 of the general fund—state appropriation
28 for fiscal year 2018 and \$467,000 of the general fund—state
29 appropriation for fiscal year 2019 are provided solely to pay for
30 emergency fire suppression costs. These amounts may not be used to
31 fund agency indirect and administrative expenses.

32 (2) ((~~\$1,098,000~~)) \$1,109,000 of the general fund—state
33 appropriation for fiscal year 2018 and ((~~\$1,098,000~~)) \$1,109,000 of
34 the general fund—state appropriation for fiscal year 2019 are
35 provided solely for payments in lieu of real property taxes to
36 counties that elect to receive the payments for department-owned game
37 lands within the county.

1 (3) \$415,000 of the general fund—state appropriation for fiscal
2 year 2018, \$415,000 of the general fund—state appropriation for
3 fiscal year 2019, and \$440,000 of the general fund—federal
4 appropriation are provided solely for county assessments.

5 (4) Prior to submitting its 2019-2021 biennial operating and
6 capital budget requests related to state fish hatcheries to the
7 office of financial management, the department shall contract with
8 the hatchery scientific review group (HSRG) to review the proposed
9 requests. This review shall: (a) Determine if the proposed requests
10 are consistent with HSRG recommendations; (b) prioritize the
11 components of the requests based on their contributions to protecting
12 wild salmonid stocks and meeting the recommendations of the HSRG; and
13 (c) evaluate whether the proposed requests are being made in the most
14 cost-effective manner. The department shall provide a copy of the
15 HSRG review to the office of financial management with its agency
16 budget proposal.

17 (5) \$400,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$400,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for a state match to support the
20 Puget Sound nearshore partnership between the department and the
21 United States army corps of engineers. Prior to implementation of any
22 Puget Sound nearshore ecosystem restoration projects in Whatcom
23 county, the department must consult with and seek, to the maximum
24 extent practicable, consensus on those projects among appropriate
25 landowners, federally recognized Indian tribes, agencies, and
26 community and interest groups.

27 (6) Within the amounts appropriated in this section, the
28 department shall identify additional opportunities for partnerships
29 in order to keep fish hatcheries operational. Such partnerships shall
30 aim to maintain fish production and salmon recovery with less
31 reliance on state operating funds.

32 (7) \$525,000 of the general fund—state appropriation for fiscal
33 year 2018 and (~~(\$425,000)~~) \$525,000 of the general fund—state
34 appropriation for fiscal year 2019 are provided solely for training
35 for a work unit to engage and empower diverse stakeholders in
36 decisions about fish and wildlife, (~~and~~) the continued conflict
37 transformation with the wolf advisory group, and for cost share
38 partnerships with livestock owners and the use of range riders to
39 reduce the potential for depredation of livestock from wolves. The

1 department shall cooperate with the department of agriculture to
2 shift the responsibility of implementing cost-sharing contracts with
3 livestock producers to use nonlethal actions to minimize livestock
4 loss from wolves and other carnivores to the department of
5 agriculture.

6 (8) \$1,259,000 of the state wildlife account—state appropriation
7 is provided solely for the fish program, including implementation of
8 Substitute House Bill No. 1597 (commercial fishing). If the bill is
9 not enacted by July 31, 2017, the amount provided in this subsection
10 shall lapse.

11 (9) \$1,630,000 of the aquatic invasive species management
12 account, \$600,000 of the general fund—federal appropriation, \$62,000
13 of the state wildlife account—state appropriation, and \$10,000 of the
14 ballast water and biofouling management account—state appropriation
15 are provided solely for activities related to aquatic invasive
16 species, including implementation of Substitute House Bill No. 1429
17 or Substitute Senate Bill No. 5303 (aquatic invasive species). If
18 neither bill is enacted by July 31, 2017, the amounts provided in
19 this subsection shall lapse.

20 (10) Within amounts provided in this section, the department must
21 consult with affected tribes and landowners in Skagit county to
22 develop and implement a plan designed to address elk-related
23 agricultural damage and vehicular collisions by using all available
24 and appropriate methods including, but not limited to, cooperative
25 fencing projects and harvest in order to minimize elk numbers on
26 private lands and maximize the number of elk located on state and
27 federal lands. The plan must be implemented by September 1, 2018.

28 (11) Within the appropriations of this section, the department
29 shall initiate outreach with recreational fishing stakeholders so
30 that recreational fishing guide and non-guided angler data can be
31 collected and analyzed to evaluate changes in the structure of guide
32 licensing, with the objectives of: (a) Improving the fishing
33 experience and ensuring equitable opportunity for both guided and
34 non-guided river anglers, (b) managing fishing pressure to protect
35 wild steelhead and other species; and (c) ensuring that recreational
36 fish guiding remains a sustainable economic contributor to rural
37 economies. The department shall convene public meetings in the North
38 Olympic Peninsula and Klickitat River areas, and may include other
39 areas of the state, and shall provide the appropriate standing

1 committees of the legislature a summary of its findings, by December
2 31, 2017.

3 ~~(12) ((\$450,000 of the general fund state appropriation for
4 fiscal year 2018 and \$450,000 of the general fund state appropriation
5 for fiscal year 2019 are provided solely for the department to grant
6 to the regional fisheries enhancement groups.~~

7 ~~(13))~~(a) \$5,500,000 of the general fund—state appropriation for
8 fiscal year 2018, \$5,500,000 of the general fund—state appropriation
9 for fiscal year 2019, and \$325,000 of the performance audits of
10 government account—state appropriation are provided solely as one-
11 time funding to support the department in response to its budget
12 shortfall. Of the amounts provided in this subsection, \$450,000 of
13 the general fund—state appropriation for fiscal year 2018 and
14 \$450,000 of the general fund—state appropriation for fiscal year 2019
15 are provided solely for the department to grant to the regional
16 fisheries enhancement groups. In order to address this shortfall on a
17 long-term basis, the department must develop a plan for balancing
18 projected revenue and expenditures and improving the efficiency and
19 effectiveness of agency operations, including:

20 (i) Expenditure reduction options that maximize administrative
21 and organizational efficiencies and savings, while avoiding hatchery
22 closures and minimizing impacts to fisheries and hunting
23 opportunities; and

24 (ii) Additional revenue options and an associated outreach plan
25 designed to ensure that the public, stakeholders, the commission, and
26 legislators have the opportunity to understand and impact the design
27 of the revenue options.

28 (iii) The range of options created under (a)(i) and (ii) of this
29 subsection must be prioritized by impact on achieving financial
30 stability, impact on the public and fisheries and hunting
31 opportunities, and on timeliness and ability to achieve intended
32 outcomes.

33 (b) In consultation with the office of financial management, the
34 department must consult with an outside management consultant to
35 evaluate and implement efficiencies to the agency's operations and
36 management practices. Specific areas of evaluation must include:

37 (i) Potential inconsistencies and increased costs associated with
38 the decentralized nature of organizational authority and operations;

1 (ii) The department's budgeting and accounting processes,
2 including work done at the central, program, and region levels, with
3 specific focus on efficiencies to be gained by centralized budget
4 control;

5 (iii) Executive management, program management, and regional
6 management structures, specifically addressing accountability.

7 (c) In carrying out these planning requirements, the department
8 must provide quarterly updates to the commission, office of financial
9 management, and appropriate legislative committees. The department
10 must provide a final summary of its process and plan by (~~May~~)
11 September 1, 2018.

12 (d) The department, in cooperation with the office of financial
13 management shall conduct a zero-based budget review of its operating
14 budget and activities to be submitted with the department's 2019-2021
15 biennial budget submittal. Information and analysis submitted by the
16 department for the zero-based review under this subsection shall
17 include:

18 (i) A statement of the statutory basis or other basis for the
19 creation of each program and the history of each program that is
20 being reviewed;

21 (ii) A description of how each program fits within the strategic
22 plan and goals of the agency and an analysis of the quantified
23 objectives of each program within the agency;

24 (iii) Any available performance measures indicating the
25 effectiveness and efficiency of each program;

26 (iv) A description with supporting cost and staffing data of each
27 program and the populations served by each program, and the level of
28 funding and staff required to accomplish the goals of the program if
29 different than the actual maintenance level;

30 (v) An analysis of the major costs and benefits of operating each
31 program and the rationale for specific expenditure and staffing
32 levels;

33 (vi) An analysis estimating each program's administrative and
34 other overhead costs;

35 (vii) An analysis of the levels of services provided; and

36 (viii) An analysis estimating the amount of funds or benefits
37 that actually reach the intended recipients.

38 (13) \$580,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the implementation of chapter 1,
40 Laws of 2018 (ESSB 6091) (water availability).

1 (14) \$76,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$472,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for the department to increase
4 enforcement of vessel traffic near orca whales, especially commercial
5 and recreational whale watchers and shipping, and to reduce
6 underwater noise levels that interfere with feeding and
7 communication. While the patrol focus is to be on orca whale
8 protection when the animals are present, nothing prohibits responses
9 to emergent public safety or in-progress poaching incidents. In the
10 event that orca whales are not present in marine waters of Puget
11 Sound, emphasis will be placed on patrols that protect living marine
12 resources in northern Puget Sound.

13 (15) \$837,000 of the general fund—state appropriation for fiscal
14 year 2019 is appropriated for the department to increase hatchery
15 production of key prey species fish throughout the Puget Sound,
16 coast, and Columbia river. The department shall work with the
17 governor, federal partners, tribal co-managers, the hatchery
18 scientific review group, and other interested parties to develop a
19 biennial hatchery production plan by December 31, 2018, that will:
20 (a) Identify, within hatchery standards and endangered species act
21 constraints, hatchery programs and specific facilities to contribute
22 to the dietary needs of orca whales; (b) consider prey species
23 preferences and migratory patterns of orca whales; and (c) include
24 adaptive management provisions to ensure the conservation and
25 enhancement of wild stocks. The final plan will be reviewed by the
26 hatchery scientific review group and submitted to the appropriate
27 committees of the legislature by December 31, 2018.

28 (16) \$115,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely for an interagency agreement with the
30 office of financial management for facilitation services and support
31 the governor's efforts to develop a long-term action plan for orca
32 whale recovery.

33 (17) \$55,000 of the state wildlife account—state appropriation is
34 provided solely for implementing the provisions of Engrossed
35 Substitute Senate Bill No. 6127 (halibut fishery). If the bill is not
36 enacted by June 30, 2018, the amount provided in this subsection
37 shall lapse.

38 (18) \$65,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the implementation of Engrossed

1 House Bill No. 2957 (nonnative finfish escape). If the bill is not
2 enacted by June 30, 2018, the amounts provided in this subsection
3 shall lapse.

4 (19) \$183,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely for the department to evaluate
6 translocation as a management tool to advance the recovery of wolves
7 using the state environmental policy act (SEPA) process. The
8 department shall provide a report to the legislature outlining the
9 results of the SEPA process no later than December 31, 2019.

10 (20) \$373,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$417,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for the department to complete
13 the third and final phase of the Puget Sound steelhead research
14 project.

15 (21) \$100,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$400,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for the department to add a
18 veterinarian, microbiologist, and make laboratory upgrades to ensure
19 the hatchery program complies with recent changes in water quality
20 and health laws.

21 (22) \$400,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$100,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for restoration costs that are a
24 result of wildfire damage.

25 (23) \$300,000 of the general fund—state appropriation for fiscal
26 year 2019 is provided solely for the department to implement and
27 enforce chapter 2, Laws of 2016 (Initiative Measure No. 1401).

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

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

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

38 (c) Where necessary, the department shall make payments to all
39 public and private entities that contributed to the purchase of the

1 unit's 540 acres of waterfowl habitat, in amounts that are required
2 by the funding entity.

**Sec. 307 was partially vetoed. See message at end of chapter.*

3 ***Sec. 308.** 2017 3rd sp.s. c 1 s 308 (uncodified) is amended to
4 read as follows:

5 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

| | | |
|----|--|--------------------------------|
| 6 | General Fund—State Appropriation (FY 2018) | ((\$48,463,000)) |
| 7 | | <u>\$74,728,000</u> |
| 8 | General Fund—State Appropriation (FY 2019) | ((\$48,264,000)) |
| 9 | | <u>\$49,316,000</u> |
| 10 | General Fund—Federal Appropriation | ((\$27,329,000)) |
| 11 | | <u>\$36,496,000</u> |
| 12 | General Fund—Private/Local Appropriation | ((\$2,372,000)) |
| 13 | | <u>\$3,230,000</u> |
| 14 | Forest Development Account—State Appropriation | ((\$56,643,000)) |
| 15 | | <u>\$50,122,000</u> |
| 16 | ORV and Nonhighway Vehicle Account—State | |
| 17 | Appropriation | ((\$8,449,000)) |
| 18 | | <u>\$7,843,000</u> |
| 19 | Surveys and Maps Account—State Appropriation | ((\$3,462,000)) |
| 20 | | <u>\$2,479,000</u> |
| 21 | Aquatic Lands Enhancement Account—State | |
| 22 | Appropriation | ((\$13,262,000)) |
| 23 | | <u>\$16,188,000</u> |
| 24 | Resources Management Cost Account—State | |
| 25 | Appropriation | ((\$121,559,000)) |
| 26 | | <u>\$121,520,000</u> |
| 27 | Surface Mining Reclamation Account—State | |
| 28 | Appropriation | ((\$4,130,000)) |
| 29 | | <u>\$4,122,000</u> |
| 30 | Disaster Response Account—State Appropriation. | \$23,076,000 |
| 31 | Forest and Fish Support Account—State Appropriation. | ((\$12,790,000)) |
| 32 | | <u>\$12,789,000</u> |
| 33 | Aquatic Land Dredged Material Disposal Site Account—State | |
| 34 | Appropriation. | \$400,000 |
| 35 | Natural Resources Conservation Areas Stewardship Account—State | |
| 36 | Appropriation | ((\$34,000)) |
| 37 | | <u>\$232,000</u> |

| | | |
|----|---|--------------------------------|
| 1 | State Toxics Control Account—State Appropriation. . . | ((\$10,705,000)) |
| 2 | | <u>\$10,709,000</u> |
| 3 | Forest Practices Application Account—State | |
| 4 | Appropriation | ((\$2,158,000)) |
| 5 | | <u>\$1,896,000</u> |
| 6 | Air Pollution Control Account—State Appropriation . . . | ((\$872,000)) |
| 7 | | <u>\$870,000</u> |
| 8 | NOVA Program Account—State Appropriation | ((\$734,000)) |
| 9 | | <u>\$733,000</u> |
| 10 | <u>Pension Funding Stabilization Account—State</u> | |
| 11 | <u>Appropriation.</u> | <u>\$3,239,000</u> |
| 12 | Derelict Vessel Removal Account—State Appropriation. . | ((\$1,946,000)) |
| 13 | | <u>\$1,945,000</u> |
| 14 | Community Forest Trust Account—State Appropriation. | \$52,000 |
| 15 | Agricultural College Trust Management Account—State | |
| 16 | Appropriation | ((\$3,056,000)) |
| 17 | | <u>\$3,055,000</u> |
| 18 | TOTAL APPROPRIATION. | ((\$389,756,000)) |
| 19 | | <u>\$425,040,000</u> |

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

22 (1) \$1,420,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$1,352,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for deposit into the
25 agricultural college trust management account and are provided solely
26 to manage approximately 70,700 acres of Washington State University's
27 agricultural college trust lands.

28 (2) ((~~\$16,546,000~~)) \$44,455,000 of the general fund—state
29 appropriation for fiscal year 2018, \$16,546,000 of the general fund—
30 state appropriation for fiscal year 2019, and \$16,050,000 of the
31 disaster response account—state appropriation are provided solely for
32 emergency fire suppression. The general fund—state appropriations
33 provided in this subsection may not be used to fund the department's
34 indirect and administrative expenses. The department's indirect and
35 administrative costs shall be allocated among its remaining accounts
36 and appropriations.

37 (3) \$5,000,000 of the forest and fish support account—state
38 appropriation is provided solely for outcome-based performance
39 contracts with tribes to participate in the implementation of the

1 forest practices program. Contracts awarded may only contain indirect
2 costs set at or below the rate in the contracting tribe's indirect
3 cost agreement with the federal government. If federal funding for
4 this purpose is reinstated, the amount provided in this subsection
5 shall lapse.

6 (4) \$1,640,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$1,640,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for the department to carry out
9 the forest practices adaptive management program pursuant to RCW
10 76.09.370 and the May 24, 2012, settlement agreement entered into by
11 the department and the department of ecology. Scientific research
12 must be carried out according to the master project schedule and work
13 plan of cooperative monitoring, evaluation, and research priorities
14 adopted by the forest practices board. The forest practices board
15 shall submit a report to the legislature following review, approval,
16 and solicitation of public comment on the cooperative monitoring,
17 evaluation, and research master project schedule, to include:
18 Cooperative monitoring, evaluation, and research science and related
19 adaptive management expenditure details, accomplishments, the use of
20 cooperative monitoring, evaluation, and research science in decision-
21 making, and funding needs for the coming biennium. For new or amended
22 forest practices rules adopted or new or amended board manual
23 provisions approved under chapter 76.09 RCW, the forest practices
24 board shall also report on its evaluation of the scientific basis for
25 the rule or board manual provisions including a technical assessment
26 of the value-added benefits for aquatic resources and the
27 corresponding economic impact to the regulated community from the
28 rule or board manual. The report shall be provided to the appropriate
29 committees of the legislature by November 1, 2018.

30 (5) \$147,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$147,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for chapter 280, Laws of 2017
33 (ESHB 2010) (homelessness/wildfire areas), including local capacity
34 for wildfire suppression in any county located east of the crest of
35 the Cascade mountain range that shares a common border with Canada
36 and has a population of one hundred thousand or fewer. The funding
37 provided in this subsection must be provided to these counties for
38 radio communication equipment, or to fire protection service
39 providers within these counties for residential wildfire risk

1 reduction activities, including education and outreach, technical
2 assistance, fuel mitigation, and other residential risk reduction
3 measures. For the purposes of this subsection, fire protection
4 service providers include fire departments, fire districts, emergency
5 management services, and regional fire protection service
6 authorities. The department must prioritize funding to counties
7 authorized in this subsection, and fire protection service providers
8 within those counties that serve a disproportionately higher
9 percentage of low-income residents as defined in RCW 84.36.042, that
10 are located in areas of higher wildfire risk, and whose fire
11 protection service providers have a shortage of reliable equipment
12 and resources. Of the amount provided in this subsection, \$7,000 per
13 fiscal year is provided for department administration costs.

14 (6) Sufficient funding is provided in this section and the
15 capital appropriations act to implement chapter 248, Laws of 2017
16 (E2SHB 1711) (forest health treatments).

17 (7) \$211,000 of the general fund—state appropriation for fiscal
18 year 2018 is provided solely for implementation of chapter 319, Laws
19 of 2017 (ESSB 5198) (fire retardant use). The department shall study
20 and report on the types and efficacy of fire retardants used in fire
21 suppression activities, their potential impact on human health and
22 natural resources, and make recommendations to the legislature by
23 December 31, 2017.

24 (8) \$505,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$486,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for implementation of chapter
27 95, Laws of 2017 (2SSB 5546) (forest health treatment assessment).
28 The department shall establish a forest health assessment and
29 treatment framework that consists of biennial forest health
30 assessments, treatments, and progress review and reporting.

31 (9) \$150,000 of the aquatic lands enhancement account—state
32 appropriation is provided solely for continued facilitation and
33 support services for the marine resources advisory council.

34 (10) \$250,000 of the aquatic lands enhancement account—state
35 appropriation is provided solely for implementation of the state
36 marine management plan and ongoing costs of the Washington coastal
37 marine advisory council to serve as a forum and provide
38 recommendations on coastal management issues.

1 (11) \$406,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$350,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for Teanaway community forest
4 operations management costs, such as management plan oversight and
5 forest health.

6 (12) \$150,000 of the state toxics control account—state
7 appropriation is provided solely for the department to meet its
8 obligations as a potentially liable party under the Washington model
9 toxics control act at Whitmarsh landfill and the east waterway site.

10 (13) \$25,000 of the general fund—state appropriation for fiscal
11 year 2018 is provided solely for conducting an aerial survey of the
12 Washington coast forests to monitor the occurrence and spread of
13 Swiss needle cast disease.

14 (14) \$25,000 of the general fund—state appropriation for fiscal
15 year 2018 is provided solely for the department to grant to the
16 University of Washington, Olympic natural resources center to develop
17 a plan to mitigate the effects of Swiss needle cast disease on
18 douglas fir tree species.

19 (15) Within existing resources, the department, in collaboration
20 with the emergency management division of the military department,
21 must develop agreements with other state agencies to recruit state
22 employees to voluntarily participate in the wildfire suppression
23 program. Other agency staff are eligible to receive training, fire
24 gear, and any other necessary items to be ready for deployment to
25 fight wildfires when called. The department shall cover agency staff
26 costs directly or through reimbursement and must submit a request for
27 an appropriation in the next legislative session to fulfill this
28 requirement. The department must provide a report detailing the
29 opportunities, challenges, and recommendations for increasing state
30 employee voluntary participation in the wildfire suppression program
31 to the appropriate committees of the legislature by December 1, 2017.

32 (16) \$160,000 of the general fund—state appropriation for fiscal
33 year 2019 is provided solely for implementing the provisions of
34 Engrossed Substitute Senate Bill No. 6109 (wildland urban interface).
35 If the bill is not enacted by June 30, 2018, the amount provided in
36 this subsection shall lapse.

37 (17) \$42,000 of the forest development account—state
38 appropriation, \$56,000 of the resources management cost account—state
39 appropriation, and \$2,000 of the agricultural college trust

1 management account—state appropriation are provided solely for the
2 implementation of Engrossed Substitute House Bill No. 2285 (marbled
3 murrelet reports). If the bill is not enacted by June 30, 2018, the
4 amounts provided in this subsection shall lapse.

5 (18) \$6,000 of the forest development account—state
6 appropriation, \$36,000 of the resources management cost account—state
7 appropriation, and \$1,000 of the agricultural college trust
8 management account—state appropriation are provided solely for the
9 implementation of Third Substitute House Bill No. 2382 (surplus
10 public property). If the bill is not enacted by June 30, 2018, the
11 amounts provided in this subsection shall lapse.

12 (19) \$57,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$136,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for the implementation of
15 Substitute House Bill No. 2561 (wildland fire advisory committee). If
16 the bill is not enacted by June 30, 2018, the amounts provided in
17 this subsection shall lapse.

18 (20) \$403,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for the implementation of House Bill No.
20 2733 (prescribed burn certificate program). If the bill is not
21 enacted by June 30, 2018, the amount provided in this subsection
22 shall lapse.

23 **(21) \$873,000 of the general fund—state appropriation for fiscal**
24 **year 2019 is provided solely to the department to provide to the**
25 **Kittitas county fire district seven as matching funds for a federal**
26 **staffing for adequate fire and emergency response (SAFER) grant.**

27 (22) \$380,000 of the general fund—state appropriation for fiscal
28 year 2019 is provided solely for one full-time natural resource
29 scientist, one full-time information technology specialist, and
30 related support costs dedicated to earthquake and tsunami hazards.
31 Duties for these positions include, but are not limited to,
32 developing inventories, maps, evacuation routes, educational
33 materials, databases, and other activities that increase preparedness
34 for earthquakes and tsunamis.

35 (23) \$37,000 of the aquatic lands enhancement account—state
36 appropriation and \$37,000 of the resources management cost account—
37 state appropriation are provided solely for the implementation of
38 Engrossed House Bill No. 2957 (nonnative finfish escape). If the bill

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

3 (24) \$25,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely to enhance the department's efforts to
5 develop and submit a proposed amendment to the 1997 Washington state
6 trust lands habitat conservation plan for a marbled murrelet long-
7 term conservation strategy. In meeting the department's legal and
8 fiduciary obligations to beneficiaries of state lands and state
9 forestlands, the proposed amendment shall be consistent with the
10 requirements of the 1997 state lands habitat conservation plan, the
11 associated implementation agreement and incidental take permit, and
12 the federal endangered species act.

13 (25) \$198,000 of the natural resources conservation areas
14 stewardship account—state appropriation is provided solely for weed
15 control and maintenance of public access at natural areas.

**Sec. 308 was partially vetoed. See message at end of chapter.*

16 **Sec. 309.** 2017 3rd sp.s. c 1 s 309 (uncodified) is amended to
17 read as follows:

18 **FOR THE DEPARTMENT OF AGRICULTURE**

| | | | |
|----|---|------------------------------|-------------------------------|
| 19 | General Fund—State Appropriation (FY 2018) | | ((\$17,281,000)) |
| 20 | | | \$16,888,000 |
| 21 | General Fund—State Appropriation (FY 2019) | | ((\$17,525,000)) |
| 22 | | | \$17,465,000 |
| 23 | General Fund—Federal Appropriation | | ((\$31,424,000)) |
| 24 | | | \$32,134,000 |
| 25 | General Fund—Private/Local Appropriation | | \$193,000 |
| 26 | Aquatic Lands Enhancement Account—State Appropriation | ((\$2,565,000)) | |
| 27 | | | \$2,563,000 |
| 28 | State Toxics Control Account—State Appropriation | . . . | ((\$5,534,000)) |
| 29 | | | \$6,066,000 |
| 30 | Water Quality Permit Account—State Appropriation | | \$73,000 |
| 31 | <u>Pension Funding Stabilization Account—State</u> | | |
| 32 | <u>Appropriation.</u> | | \$1,041,000 |
| 33 | TOTAL APPROPRIATION. | | ((\$74,595,000)) |
| 34 | | | \$76,423,000 |

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

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

5 (2) Within amounts appropriated in this section, the department
6 shall provide to the department of health, where available, the
7 following data for all nutrition assistance programs that are funded
8 by the United States department of agriculture and administered by
9 the department. The department must provide the report for the
10 preceding federal fiscal year by February 1, 2018, and February 1,
11 2019. The report must provide:

12 (a) The number of people in Washington who are eligible for the
13 program;

14 (b) The number of people in Washington who participated in the
15 program;

16 (c) The average annual participation rate in the program;

17 (d) Participation rates by geographic distribution; and

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

19 (3) \$132,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for the department to fund an
21 aquaculture coordinator. The aquaculture coordinator will work with
22 shellfish growers and federal, state, and local governments to
23 improve the efficiency and effectiveness of shellfish farm
24 permitting. Many of those improvements will come directly from the
25 shellfish interagency permitting team recommendations.

26 (4) \$14,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely for implementing Substitute Senate Bill
28 No. 6055 (apple maggot/outdoor burning). If the bill is not enacted
29 by June 30, 2018, the amount provided in this subsection shall lapse.

30 (5) \$2,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$18,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for the implementation of
33 chapter 1, Laws of 2018 (ESSB 6091) (water availability).

34 (6) \$144,000 of the general fund—state appropriation for fiscal
35 year 2019 is provided solely for the implementation of Second
36 Engrossed Substitute House Bill No. 1508 (student meals and
37 nutrition). If the bill is not enacted by June 30, 2018, the amounts
38 provided in this subsection shall lapse.

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

7 (8) \$100,000 of the general fund—state appropriation for fiscal
8 year 2019 is provided solely for the industrial hemp research pilot
9 program. Expenditures shall be prioritized for processing licenses
10 and expanding the industrial hemp market.

11 (9) \$534,000 of the state toxics control account—state
12 appropriation is provided solely for a monitoring program to study
13 the impacts of the use of imidacloprid as a means to control
14 burrowing shrimp and related costs. Department costs include, but are
15 not limited to, oversight and participation on a technical advisory
16 committee, technical assistance, planning, and reporting activities.
17 The department may also use the funding provided in this subsection,
18 as needed, for payments to Washington State University, the United
19 States department of agriculture, and outside consultants for their
20 participation in the monitoring program and technical advisory
21 committee. The department must report to the appropriate committees
22 of the legislature by June 1, 2019, on the progress of the monitoring
23 program.

24 (10) \$80,000 of the general fund—state appropriation for fiscal
25 year 2019 is provided solely for the department to provide to the
26 sheriff's departments of Ferry county and Stevens county to cooperate
27 with the department and the department of fish and wildlife on wolf
28 management activities. Of the amount provided in this subsection,
29 \$40,000 is for the Ferry county sheriff's department and \$40,000 is
30 for the Stevens county sheriff's department.

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

33 **FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM**

34 Pollution Liability Insurance Agency Underground

35 Storage Tank Revolving Account—State

36 Appropriation. ((~~\$10,000~~))

37 \$90,000

38 Pollution Liability Insurance Program Trust Account—State

| | | |
|---|------------------------------|------------------------------|
| 1 | Appropriation | ((\$1,338,000)) |
| 2 | | <u>\$1,340,000</u> |
| 3 | TOTAL APPROPRIATION. | ((\$1,348,000)) |
| 4 | | <u>\$1,430,000</u> |

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

7 **FOR THE PUGET SOUND PARTNERSHIP**

| | | |
|----|--|-------------------------------|
| 8 | General Fund—State Appropriation (FY 2018) | ((\$2,922,000)) |
| 9 | | <u>\$2,783,000</u> |
| 10 | General Fund—State Appropriation (FY 2019) | ((\$2,668,000)) |
| 11 | | <u>\$2,526,000</u> |
| 12 | General Fund—Federal Appropriation | ((\$8,102,000)) |
| 13 | | <u>\$10,334,000</u> |
| 14 | Aquatic Lands Enhancement Account—State | |
| 15 | Appropriation. | ((\$1,420,000)) |
| 16 | | <u>\$1,419,000</u> |
| 17 | State Toxics Control Account—State Appropriation | \$721,000 |
| 18 | <u>Pension Funding Stabilization Account—State</u> | |
| 19 | <u>Appropriation.</u> | <u>\$277,000</u> |
| 20 | TOTAL APPROPRIATION. | ((\$15,833,000)) |
| 21 | | <u>\$18,060,000</u> |

22 The appropriations in this section are subject to the following
23 conditions and limitations: By October 15, 2018, the Puget Sound
24 partnership shall provide the governor a single, prioritized list of
25 state agency 2019-2021 capital and operating budget requests related
26 to Puget Sound restoration.

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2017 3rd sp.s. c 1 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

| | | |
|--|----------|---------------------------|
| General Fund—State Appropriation (FY 2018) | .. . . . | (\$1,460,000) |
| | | <u>\$1,688,000</u> |
| General Fund—State Appropriation (FY 2019) | .. . . . | (\$1,530,000) |
| | | <u>\$2,145,000</u> |
| Architects' License Account—State Appropriation | .. . . . | (\$995,000) |
| | | <u>\$1,203,000</u> |
| Professional Engineers' Account—State Appropriation | . | (\$3,922,000) |
| | | <u>\$3,926,000</u> |
| Real Estate Commission Account—State Appropriation | . | (\$11,045,000) |
| | | <u>\$11,547,000</u> |
| Uniform Commercial Code Account—State Appropriation | . | (\$3,448,000) |
| | | <u>\$3,469,000</u> |
| Real Estate Education Program Account—State Appropriation | .. . . . | \$276,000 |
| Real Estate Appraiser Commission Account—State Appropriation | .. . . . | \$1,870,000 |
| Business and Professions Account—State Appropriation | | (\$19,302,000) |
| | | <u>\$21,985,000</u> |
| Real Estate Research Account—State Appropriation | .. . . . | \$415,000 |
| <u>Landscape Architects' License Account—State</u> | .. . . . | <u>\$4,000</u> |
| 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 |
| <u>Pension Funding Stabilization Account—State Appropriation</u> | .. . . . | <u>\$95,000</u> |
| TOTAL APPROPRIATION | .. . . . | (\$44,607,000) |
| | | <u>\$48,967,000</u> |

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).

1 (2) \$183,000 of the concealed pistol license renewal notification
2 account appropriation and \$75,000 of the firearms range account
3 appropriation are provided solely to implement chapter 74, Laws of
4 2017 (SHB 1100) (concealed pistol license) and chapter 282, Laws of
5 2017 (SB 5268) (concealed pistol license notices).

6 (3) \$198,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$11,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for costs related to sending
9 notices to persons to encourage the renewal of vessel registrations.

10 (4) \$32,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$32,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for the department of licensing
13 to issue identicards to youths released from juvenile rehabilitation
14 facilities.

15 (5) The appropriations in this section include sufficient funding
16 for the implementation of Third Substitute House Bill No. 1169
17 (student loan assistance).

18 (6) \$60,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely to implement Senate Bill No. 6298
20 (domestic violence harassment/firearms). If the bill is not enacted
21 by June 30, 2018, the amount provided in this subsection shall lapse.

22 (7) \$265,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely for implementation of Engrossed Second
24 Substitute House Bill No. 1439 (higher education student protection).
25 If the bill is not enacted by June 30, 2018, the amount provided in
26 this subsection shall lapse.

27 **Sec. 402.** 2017 3rd sp.s. c 1 s 402 (uncodified) is amended to
28 read as follows:

29 **FOR THE STATE PATROL**

| | | | |
|----|--|-----------|-------------------------------|
| 30 | General Fund—State Appropriation (FY 2018) | | ((\$44,994,000)) |
| 31 | | | <u>\$43,800,000</u> |
| 32 | General Fund—State Appropriation (FY 2019) | | ((\$45,986,000)) |
| 33 | | | <u>\$46,662,000</u> |
| 34 | General Fund—Federal Appropriation | | ((\$16,260,000)) |
| 35 | | | <u>\$16,255,000</u> |
| 36 | General Fund—Private/Local Appropriation | | \$3,085,000 |
| 37 | Death Investigations Account—State Appropriation | . . . | ((\$7,087,000)) |
| 38 | | | <u>\$8,207,000</u> |

| | | |
|----|---|--------------------------------|
| 1 | County Criminal Justice Assistance Account—State | |
| 2 | Appropriation | ((\$3,755,000)) |
| 3 | | <u>\$3,752,000</u> |
| 4 | Municipal Criminal Justice Assistance Account—State | |
| 5 | Appropriation | ((\$1,521,000)) |
| 6 | | <u>\$1,520,000</u> |
| 7 | Fire Service Trust Account—State Appropriation | \$131,000 |
| 8 | Vehicle License Fraud Account—State Appropriation | \$110,000 |
| 9 | Disaster Response Account—State Appropriation | ((\$8,000,000)) |
| 10 | | <u>\$12,400,000</u> |
| 11 | Fire Service Training Account—State Appropriation | ((\$11,126,000)) |
| 12 | | <u>\$11,121,000</u> |
| 13 | Aquatic Invasive Species Management Account—State | |
| 14 | Appropriation | \$54,000 |
| 15 | <u>Pension Funding Stabilization Account—State</u> | |
| 16 | <u>Appropriation.</u> | <u>\$3,295,000</u> |
| 17 | State Toxics Control Account—State Appropriation | ((\$549,000)) |
| 18 | | <u>\$548,000</u> |
| 19 | Fingerprint Identification Account—State | |
| 20 | Appropriation | ((\$15,768,000)) |
| 21 | | <u>\$15,745,000</u> |
| 22 | <u>Dedicated Marijuana Account—State Appropriation</u> | |
| 23 | <u>(FY 2019).</u> | <u>\$2,803,000</u> |
| 24 | TOTAL APPROPRIATION. | ((\$158,426,000)) |
| 25 | | <u>\$169,488,000</u> |

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

28 (1) \$270,000 of the fire service training account—state
29 appropriation is provided solely for two FTEs in the office of the
30 state director of fire protection to exclusively review K-12
31 construction documents for fire and life safety in accordance with
32 the state building code. It is the intent of this appropriation to
33 provide these services only to those districts that are located in
34 counties without qualified review capabilities.

35 (2) ((~~\$8,000,000~~)) \$12,400,000 of the disaster response account—
36 state appropriation is provided solely for Washington state fire
37 service resource mobilization costs incurred in response to an
38 emergency or disaster authorized under RCW 43.43.960 through
39 43.43.964. The state patrol shall submit a report quarterly to the

1 office of financial management and the legislative fiscal committees
2 detailing information on current and planned expenditures from this
3 account. This work shall be done in coordination with the military
4 department.

5 (3) \$700,000 of the fire service training account—state
6 appropriation is provided solely for the firefighter apprenticeship
7 training program.

8 (4) \$41,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$41,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for implementation of chapter
11 272, Laws of 2017 (E2SHB 1163) (domestic violence).

12 (5) \$125,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$116,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for implementation of chapter
15 261, Laws of 2017 (SHB 1501) (attempts to obtain firearms).

16 (6) \$104,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$90,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for implementation of chapter
19 308, Laws of 2017 (SHB 1863) (fire incident reporting system).

20 (7) \$3,421,000 of the fingerprint identification account—state
21 appropriation is provided solely for the completion of the state
22 patrol's plan to upgrade the criminal history system, and is subject
23 to the conditions, limitations, and review provided in section 724 of
24 this act.

25 (8) \$1,039,000 of the fingerprint identification account—state
26 appropriation is provided solely for the implementation of a sexual
27 assault kit tracking database project and is subject to the
28 conditions, limitations, and review provided in section 724 of this
29 act.

30 (9) \$495,000 of the general fund—state appropriation for fiscal
31 year 2019 is provided solely for the costs related to the 1995 king
32 air maintenance. By June 30, 2019, the state patrol is directed to
33 sell the 1983 king air and proceeds generated from the sale of the
34 1983 king air must be deposited into the state patrol highway
35 account.

36 (10) \$2,803,000 of the dedicated marijuana account—state
37 appropriation for fiscal year 2019 is provided solely for the
38 Washington state patrol to create a new drug enforcement task force
39 for the purposes of controlling the potential diversion and illicit

1 production or distribution of marijuana and marijuana-related
2 products in Washington.

3 (11) \$100,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for the Washington state patrol to
5 coordinate with the governor's office of Indian affairs, federally
6 recognized tribal governments, and the U.S. justice department to
7 conduct a study to determine how to increase state criminal justice
8 protective and investigative resources for reporting and identifying
9 missing Native American women in the state.

10 (12) The amounts in this subsection are provided solely for
11 implementing the recommendations of the joint legislative task force
12 on sexual assault forensic examination, and for monitoring and
13 testing untested sexual assault examination kits.

14 (a) \$500,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided solely for the state patrol to:

16 (i) Work in conjunction with state or nonstate entities to test
17 sexual assault kits pursuant to RCW 43.43.545;

18 (ii) Conduct forensic analysis of sexual assault examination kits
19 in the custody of the state patrol pursuant to chapter 247, Laws of
20 2015; and

21 (ii) Continue the task force.

22 (b) \$1,375,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$1,375,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for the implementation of
25 chapter 247, Laws of 2015 to address the state's backlog in sexual
26 assault examination kits. The seven full-time employees funded under
27 this subsection must work exclusively on processing sexual assault
28 exam kits through the crime laboratory division.

29 (c) Within amounts provided in this section, the Washington state
30 patrol shall adopt rules necessary to implement RCW 43.43.545.

(End of part)

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)) |
| | <u>\$46,525,000</u> |
| General Fund—State Appropriation (FY 2019) | ((\$47,888,000)) |
| | <u>\$58,392,000</u> |
| General Fund—Federal Appropriation | ((\$68,460,000)) |
| | <u>\$83,422,000</u> |
| General Fund—Private/Local Appropriation | ((\$8,051,000)) |
| | <u>\$8,049,000</u> |
| 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)) |
| | <u>\$515,000</u> |
| Performance Audits of Government Account—State Appropriation | \$211,000 |
| <u>Pension Funding Stabilization Account—State Appropriation.</u> | <u>\$2,126,000</u> |
| TOTAL APPROPRIATION. | ((\$176,067,000)) |
| | <u>\$200,337,000</u> |

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.

1 (b) Districts shall report to the office of the superintendent of
2 public instruction daily student unexcused absence data by school,
3 using a uniform definition of unexcused absence as established by the
4 superintendent.

5 (c) By September of each year, the office of the superintendent
6 of public instruction shall produce an annual status report on
7 implementation of the budget provisos in sections 501 and 513 of this
8 act. The status report of each proviso shall include, but not be
9 limited to, the following information: Purpose and objective, number
10 of state staff funded by the proviso, number of contractors, status
11 of proviso implementation, number of beneficiaries by year, list of
12 beneficiaries, a comparison of budgeted funding and actual
13 expenditures, other sources and amounts of funding, and proviso
14 outcomes and achievements.

15 (d) The superintendent of public instruction, in consultation
16 with the secretary of state, shall update the program prepared and
17 distributed under RCW 28A.230.150 for the observation of temperance
18 and good citizenship day to include providing an opportunity for
19 eligible students to register to vote at school.

20 (e) Districts shall annually report to the office of the
21 superintendent of public instruction on: (i) The annual number of
22 graduating high school seniors within the district earning the
23 Washington state seal of biliteracy provided in RCW 28A.300.575; and
24 (ii) the number of high school students earning competency-based high
25 school credits for world languages by demonstrating proficiency in a
26 language other than English. The office of the superintendent of
27 public instruction shall provide a summary report to the office of
28 the governor and the appropriate committees of the legislature by
29 December 1st of each year.

30 (2) (~~(\$3,857,000)~~) \$1,423,000 of the general fund—state
31 appropriation for fiscal year 2018 and (~~(\$3,857,000)~~) \$5,598,000 of
32 the general fund—state appropriation for fiscal year 2019 are
33 provided solely for activities associated with the implementation of
34 House Bill No. 2242 (fully funding the program of basic education).
35 Of these amounts:

36 (a) \$857,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$857,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for maintenance of the
39 apportionment system;

1 (b) \$566,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$3,741,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for activities associated with
4 the implementation of House Bill No. 2242 (fully funding the program
5 of basic education); and

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

13 (3)(a) \$911,000 of the general fund—state appropriation for
14 fiscal year 2018 and \$911,000 of the general fund—state appropriation
15 for fiscal year 2019 are provided solely for the operation and
16 expenses of the state board of education, including basic education
17 assistance activities.

18 (b) \$322,000 of the Washington opportunity pathways account—state
19 appropriation is provided solely for the state board of education to
20 provide assistance to public schools other than common schools
21 authorized under chapter 28A.710 RCW.

22 (4) \$3,512,000 of the general fund—state appropriation for fiscal
23 year 2018 and (~~(\$3,512,000)~~) \$3,762,000 of the general fund—state
24 appropriation for fiscal year 2019 are provided solely to the
25 professional educator standards board for the following:

26 (a) \$1,115,000 in fiscal year 2018 and \$1,115,000 in fiscal year
27 2019 are for the operation and expenses of the Washington
28 professional educator standards board;

29 (b) \$2,372,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$2,372,000 of the general fund—state appropriation for
31 fiscal year 2019 are for grants to improve preservice teacher
32 training and for funding of alternate routes to certification
33 programs administered by the professional educator standards board.
34 Alternate routes programs include the pipeline for paraeducators
35 program, the retooling to teach conditional loan programs, and the
36 recruiting Washington teachers program. Priority shall be given to
37 programs that support bilingual teachers and English language
38 learners. Within this subsection (4)(b), up to \$500,000 per fiscal
39 year is available for grants to public or private colleges of

1 education in Washington state to develop models and share best
2 practices for increasing the classroom teaching experience of
3 preservice training programs and \$250,000 is provided solely for the
4 pipeline for paraeducators conditional scholarship program for
5 scholarships for paraeducators to complete their associate of arts
6 degrees in subject matter shortage areas;

7 (c) \$25,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$25,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for the professional educator
10 standards board to develop educator interpreter standards and
11 identify interpreter assessments that are available to school
12 districts. Interpreter assessments should meet the following
13 criteria: (A) Include both written assessment and performance
14 assessment; (B) be offered by a national organization of professional
15 sign language interpreters and transliterators; and (C) be designed
16 to assess performance in more than one sign system or sign language.
17 The board shall establish a performance standard, defining what
18 constitutes a minimum assessment result, for each educational
19 interpreter assessment identified. The board shall publicize the
20 standards and assessments for school district use;

21 (d) Within the amounts appropriated in this section, sufficient
22 funding is provided for implementation of chapter 172, Laws of 2017
23 (SHB 1741) (educator prep. data/PESB).

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

31 (5) \$266,000 of the general fund—state appropriation for fiscal
32 year 2018 and (~~(\$266,000)~~) \$502,000 of the general fund—state
33 appropriation for fiscal year 2019 are provided solely for the
34 implementation of chapter 240, Laws of 2010, including staffing the
35 office of equity and civil rights.

36 (6)(a) \$61,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$61,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for the ongoing work of the
39 education opportunity gap oversight and accountability committee.

1 (b) Within amounts appropriated in this subsection (6), the
2 committee shall review the rules and procedures adopted by the
3 superintendent of public instruction and the state board of education
4 related to the minimum number of students to be used for public
5 reporting and federal accountability purposes. By October 30, 2018,
6 the committee shall report to the office of the superintendent of
7 public instruction, the state board of education, and the
8 appropriations committees of the legislature with its recommendations
9 for the state to meet the following goals: Increase the visibility of
10 the opportunity gap in schools with small subgroups of students; hold
11 schools and school districts accountable to individual student-level
12 support; and comply with federal student privacy laws.

13 (7) \$61,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$61,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the implementation of
16 chapter 380, Laws of 2009 (enacting the interstate compact on
17 educational opportunity for military children).

18 (8) \$262,000 of the Washington opportunity pathways account—state
19 appropriation is provided solely for activities related to public
20 schools other than common schools authorized under chapter 28A.710
21 RCW.

22 (9) \$1,802,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$1,802,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for implementing a comprehensive
25 data system to include financial, student, and educator data,
26 including development and maintenance of the comprehensive education
27 data and research system (CEDARS).

28 (10) \$50,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$50,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for project citizen, a program
31 sponsored by the national conference of state legislatures and the
32 center for civic education to promote participation in government by
33 middle school students.

34 (11) \$1,500,000 of the general fund—state appropriation for
35 fiscal year 2018 is provided solely for collaborative schools for
36 innovation and success authorized under chapter 53, Laws of 2012. The
37 office of the superintendent of public instruction shall award
38 \$500,000 for each collaborative school for innovation and success
39 selected for participation in the pilot program during 2012.

1 (12) \$123,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$123,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for implementation of chapter
4 163, Laws of 2012 (foster care outcomes). The office of the
5 superintendent of public instruction shall annually report each
6 December on the implementation of the state's plan of cross-system
7 collaboration to promote educational stability and improve education
8 outcomes of foster youth.

9 (13) \$250,000 of the general fund—state appropriation for fiscal
10 year 2018 is provided solely for implementation of chapter 178, Laws
11 of 2012 (open K-12 education resources).

12 (14) \$50,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$50,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for school bullying and
15 harassment prevention activities.

16 (15) \$14,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$14,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for implementation of chapter
19 242, Laws of 2013 (state-tribal education compacts).

20 (16) \$62,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$62,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for competitive grants to school
23 districts to increase the capacity of high schools to offer AP
24 computer science courses. In making grant allocations, the office of
25 the superintendent of public instruction must give priority to
26 schools and districts in rural areas, with substantial enrollment of
27 low-income students, and that do not offer AP computer science.
28 School districts may apply to receive either or both of the following
29 grants:

30 (a) A grant to establish partnerships to support computer science
31 professionals from private industry serving on a voluntary basis as
32 coinstructors along with a certificated teacher, including via
33 synchronous video, for AP computer science courses; or

34 (b) A grant to purchase or upgrade technology and curriculum
35 needed for AP computer science, as well as provide opportunities for
36 professional development for classroom teachers to have the requisite
37 knowledge and skills to teach AP computer science.

38 (17) \$10,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$10,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for the superintendent of public
2 instruction to convene a committee for the selection and recognition
3 of Washington innovative schools. The committee shall select and
4 recognize Washington innovative schools based on the selection
5 criteria established by the office of the superintendent of public
6 instruction, in accordance with chapter 202, Laws of 2011 (innovation
7 schools—recognition) and chapter 260, Laws of 2011 (innovation
8 schools and zones).

9 (18) \$100,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$100,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for the Mobius science center to
12 expand mobile outreach of science, technology, engineering, and
13 mathematics (STEM) education to students in rural, tribal, and low-
14 income communities.

15 (19) \$131,000 of the general fund—state appropriation for fiscal
16 year 2018, \$131,000 of the general fund—state appropriation for
17 fiscal year 2019, and \$211,000 of the performance audits of
18 government account—state appropriation are provided solely for the
19 office of the superintendent of public instruction to perform on-
20 going program reviews of alternative learning experience programs,
21 dropout reengagement programs, and other high risk programs. Findings
22 from the program reviews will be used to support and prioritize the
23 office of the superintendent of public instruction outreach and
24 education efforts that assist school districts in implementing the
25 programs in accordance with statute and legislative intent, as well
26 as to support financial and performance audit work conducted by the
27 office of the state auditor.

28 (20) \$150,000 of the general fund—state appropriation for fiscal
29 year 2018 and (~~(\$150,000)~~) \$202,000 of the general fund—state
30 appropriation for fiscal year 2019 are provided solely for youth
31 suicide prevention activities.

32 (21) \$31,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$55,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for the office of the
35 superintendent of public instruction for statewide implementation of
36 career and technical education course equivalency frameworks
37 authorized under RCW 28A.700.070 for math and science. This may
38 include development of additional equivalency course frameworks,

1 course performance assessments, and professional development for
2 districts implementing the new frameworks.

3 (22) \$2,541,000 of the general fund—state appropriation for
4 fiscal year 2018 and \$2,541,000 of the general fund—state
5 appropriation for fiscal year 2019 are provided solely for a corps of
6 nurses located at educational service districts, as determined by the
7 superintendent of public instruction, to be dispatched to the most
8 needy schools to provide direct care to students, health education,
9 and training for school staff.

10 (23) \$300,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$300,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for a nonviolence and ethical
13 leadership training and professional development program provided by
14 the institute for community leadership.

15 (24) \$1,221,000 of the general fund—state appropriation for
16 fiscal year 2018 and \$1,221,000 of the general fund—state
17 appropriation for fiscal year 2019 are provided solely for K-20
18 telecommunications network technical support in the K-12 sector to
19 prevent system failures and avoid interruptions in school utilization
20 of the data processing and video-conferencing capabilities of the
21 network. These funds may be used to purchase engineering and advanced
22 technical support for the network.

23 (25) \$3,940,000 of the general fund—state appropriation for
24 fiscal year 2018 and \$3,940,000 of the general fund—state
25 appropriation for fiscal year 2019 are provided solely for the
26 Washington state achievers scholarship and Washington higher
27 education readiness program. The funds shall be used to: Support
28 community involvement officers that recruit, train, and match
29 community volunteer mentors with students selected as achievers
30 scholars; and to identify and reduce barriers to college for low-
31 income and underserved middle and high school students.

32 (26) \$1,354,000 of the general fund—state appropriation for
33 fiscal year 2018 and (~~(\$1,354,000)~~) \$1,454,000 of the general fund—
34 state appropriation for fiscal year 2019 are provided solely for
35 contracting with a college scholarship organization with expertise in
36 conducting outreach to students concerning eligibility for the
37 Washington college bound scholarship consistent with chapter 405,
38 Laws of 2007.

1 (27) \$410,000 of the general fund—state appropriation for fiscal
2 year 2018, \$280,000 of the general fund—state appropriation for
3 fiscal year 2019, and (~~(\$1,029,000)~~) \$1,028,000 of the dedicated
4 marijuana account—state appropriation are provided solely for dropout
5 prevention, intervention, and reengagement programs, including the
6 jobs for America's graduates (JAG) program, dropout prevention
7 programs that provide student mentoring, and the building bridges
8 statewide program. Students in the foster care system or who are
9 homeless shall be given priority by districts offering the jobs for
10 America's graduates program. The office of the superintendent of
11 public instruction shall convene staff representatives from high
12 schools to meet and share best practices for dropout prevention. Of
13 these amounts, \$513,000 of the dedicated marijuana account—state
14 appropriation for fiscal year 2018, and (~~(\$516,000)~~) \$515,000 of the
15 dedicated marijuana account—state appropriation for fiscal year 2019
16 are provided solely for the building bridges statewide program.

17 (28) \$2,984,000 of the general fund—state appropriation for
18 fiscal year 2018 and \$2,590,000 of the general fund—state
19 appropriation for fiscal year 2019 are provided solely for the
20 Washington kindergarten inventory of developing skills. State funding
21 shall support statewide administration and district implementation of
22 the inventory under RCW 28A.655.080.

23 (29) \$293,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$293,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for the office of the
26 superintendent of public instruction to support district
27 implementation of comprehensive guidance and planning programs in
28 support of high-quality high school and beyond plans consistent with
29 RCW 28A.230.090.

30 (30) \$4,894,000 of the general fund—state appropriation for
31 fiscal year 2018 and \$4,894,000 of the general fund—state
32 appropriation for fiscal year 2019 are provided solely for grants for
33 implementation of dual credit programs and subsidized advance
34 placement exam fees and international baccalaureate class fees and
35 exam fees for low-income students. For expenditures related to
36 subsidized exam fees, the superintendent shall report: The number of
37 students served; the demographics of the students served; and how the
38 students perform on the exams.

1 (31) \$100,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$100,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for the superintendent of public
4 instruction to convene a work group to build upon the work of the
5 social emotional learning work group established under section
6 501(34), chapter 4, Laws of 2015 3rd sp. sess. The members of the
7 work group must include representatives from the same organizations
8 that were represented on the 2015 work group, as well as five
9 representatives of diverse communities and a statewide expanded
10 learning opportunities intermediary. The work group must identify and
11 articulate developmental indicators for each grade level for each of
12 the social emotional learning benchmarks, solicit feedback from
13 stakeholders, and develop a model of best practices or guidance for
14 schools on implementing the benchmarks and indicators. The work group
15 shall submit recommendations to the education committees of the
16 legislature and the office of the governor by June 30, 2019.

17 (32) \$117,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$117,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for implementation of chapter 3
20 (SHB No. 1813), Laws of 2015 1st sp. sess. (computer science).

21 (33) \$450,000 of the general fund—state appropriation for fiscal
22 year 2018 and (~~(\$450,000)~~) \$1,450,000 of the general fund—state
23 appropriation for fiscal year 2019 are provided solely for
24 implementation of chapter 236, Laws of 2017 (SHB 1445) (dual
25 language/early learning & K-12). In selecting recipients of the K-12
26 dual language grant, the superintendent of public instruction must
27 prioritize districts that received grants under section 501(36),
28 chapter 4, Laws of 2015 3rd sp. sess. Of the amounts in this
29 subsection, up to \$950,000 of the general fund—state appropriation
30 for fiscal year 2019 is for implementation of the K-12 dual language
31 grant program established in RCW 28A.630.095 and \$500,000 of the
32 general fund—state appropriation for fiscal year 2019 is provided
33 solely for implementation of the bilingual educator initiative pilot
34 project established under RCW 28A.180.120.

35 (34) \$125,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$125,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for the Kip Tokuda memorial
38 Washington civil liberties public education program. The

1 superintendent of public instruction shall award grants consistent
2 with RCW 28A.300.410.

3 (35) \$1,000,000 of the general fund—state appropriation for
4 fiscal year 2018 and \$1,000,000 of the general fund—state
5 appropriation for fiscal year 2019 are provided solely for the
6 computer science and education grant program to support the following
7 three purposes: Train and credential teachers in computer sciences;
8 provide and upgrade technology needed to learn computer science; and,
9 for computer science frontiers grants to introduce students to and
10 engage them in computer science. The office of the superintendent of
11 public instruction must use the computer science learning standards
12 adopted pursuant to chapter 3, Laws of 2015 (computer science) in
13 implementing the grant, to the extent possible. Additionally, grants
14 provided for the purpose of introducing students to computer science
15 are intended to support innovative ways to introduce and engage
16 students from historically underrepresented groups, including girls,
17 low-income students, and minority students, to computer science and
18 to inspire them to enter computer science careers. Grant funds for
19 the computer science and education grant program may be expended only
20 to the extent that they are equally matched by private sources for
21 the program, including gifts, grants, or endowments.

22 (36) \$2,145,000 of the general fund—state appropriation for
23 fiscal year 2018 and \$2,145,000 of the general fund—state
24 appropriation for fiscal year 2019 are provided solely for a contract
25 with a nongovernmental entity or entities for demonstration sites to
26 improve the educational outcomes of students who are dependent
27 pursuant to chapter 13.34 RCW pursuant to chapter 71, Laws of 2016
28 (Fourth Substitute House Bill No. 1999, foster youth edu. outcomes).

29 (a) Of the amount provided in this subsection, \$446,000 of the
30 general fund—state appropriation for fiscal year 2018 and \$446,000 of
31 the general fund—state appropriation for fiscal year 2019 are
32 provided solely for the demonstration site established pursuant to
33 the 2013-2015 omnibus appropriations act, section 202(10), chapter 4,
34 Laws of 2013, 2nd sp. sess.

35 (b) Of the amount provided in this subsection, \$1,015,000 of the
36 general fund—state appropriation for fiscal year 2018 and \$1,015,000
37 of the general fund—state appropriation for fiscal year 2019 are
38 provided solely for the demonstration site established pursuant to

1 the 2015-2017 omnibus appropriations act, section 501(43)(b), chapter
2 4, Laws of 2015, 3rd sp. sess., as amended.

3 (37) \$1,000,000 of the general fund—state appropriation for
4 fiscal year 2018 and \$1,000,000 of the general fund—state
5 appropriation for fiscal year 2019 are provided solely for
6 implementation of chapter 157, Laws of 2016 (Third Substitute House
7 Bill No. 1682, homeless students).

8 (38) \$753,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$703,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for implementation of chapter
11 72, Laws of 2016 (Fourth Substitute House Bill No. 1541, educational
12 opportunity gap).

13 (39) \$57,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$15,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for implementation of chapter
16 240, Laws of 2016 (Engrossed Senate Bill No. 6620, school safety).

17 (40) \$186,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$178,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for implementation of chapter
20 291, Laws of 2017 (2SHB 1170) (truancy reduction efforts).

21 (41) \$984,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$912,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for implementation of chapter
24 237, Laws of 2017 (ESHB 1115) (paraeducators).

25 (42) \$204,000 of the general fund—state appropriation for fiscal
26 year 2018, \$204,000 of the general fund—state appropriation for
27 fiscal year 2019, and \$408,000 of the general fund—federal
28 appropriation are provided solely for implementation of chapter 202,
29 Laws of 2017 (E2SHB 1713) (children's mental health).

30 (43) \$300,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$300,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for grants to middle and high
33 schools to support international baccalaureate programs in high
34 poverty schools. Of these amounts:

35 (a) \$200,000 of the appropriation for fiscal year 2018 and
36 \$200,000 of the appropriation for fiscal year 2019 are provided
37 solely for grants to high schools that have an existing international
38 baccalaureate program and enrollments of seventy percent or more
39 students eligible for free or reduced-price meals in the prior school

1 year to implement and sustain an international baccalaureate program;
2 and

3 (b) \$100,000 of the appropriation for fiscal year 2018 and
4 \$100,000 of the appropriation for fiscal year 2019 are provided
5 solely for grants to middle schools with students that will attend a
6 qualifying high poverty high school that has received a grant under
7 (a) of this subsection to support implementation of a middle school
8 international baccalaureate program.

9 (44) \$240,000 of the general fund—state appropriation for fiscal
10 year 2018 is provided solely for a grant to the Pacific science
11 center to continue providing science on wheels activities in schools
12 and other community settings. Funding is provided to assist with
13 upgrading three planetarium computers and software and to assist with
14 purchasing and outfitting three vans with new traveling planetarium
15 exhibits.

16 (45) (~~(\$100,000)~~) \$40,000 of the general fund—state appropriation
17 for fiscal year 2018 (~~(is)~~) and \$60,000 of the general fund—state
18 appropriation for fiscal year 2019 are provided solely for the office
19 of the superintendent of public instruction to contract for
20 consulting services for a study of the current state pupil
21 transportation funding formula. The study must evaluate the extent to
22 which the formula corresponds to the actual costs of providing pupil
23 transportation to and from school for the state's statutory program
24 of basic education, including local school district characteristics
25 such as unique geographic constraints, and transportation for
26 students who are identified as homeless under the McKinney-Vento act.
27 Based on the results of this evaluation, the superintendent must make
28 recommendations for any necessary revisions to the state's pupil
29 transportation formula, taking into account the statutory program of
30 basic education, promotion of the efficient use of state and local
31 resources, and continued local district control over the management
32 of pupil transportation systems. The superintendent must make
33 recommendations to clarify the sources of funding that districts can
34 use to transport homeless students to and from school.

35 (46) \$440,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$270,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for the office of the
38 superintendent of public instruction for the procurement and
39 implementation of a reporting and data aggregation system that will

1 connect state- and district-level information to secure and protect
2 district, school and student information in order to close student
3 performance gaps by assisting school districts in data-driven
4 implementation of strategies and supports that are responsive of
5 student needs.

6 (47) \$150,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$450,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided for the superintendent of public
9 instruction to develop and implement a statewide accountability
10 system to address absenteeism and to improve student graduation
11 rates. The system must use data to engage schools and districts in
12 identifying successful strategies and systems that are based on
13 federal and state accountability measures. Funding may also support
14 the effort to provide assistance about successful strategies and
15 systems to districts and schools that are underperforming in the
16 targeted student subgroups.

17 (48) \$178,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$179,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for implementation of chapter
20 180, Laws of 2017 (2SSB 5258) (Washington Aim program).

21 (49) \$97,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for implementation of Substitute House
23 Bill No. 1539 (sexual abuse of students). If the bill is not enacted
24 by June 30, 2018, the amount provided in this subsection shall lapse.

25 (50) \$40,000 of the general fund—state appropriation for fiscal
26 year 2019 is provided solely for implementation of Engrossed Second
27 Substitute House Bill No. 2779 (children's mental health services).
28 If the bill is not enacted by June 30, 2018, the amount provided in
29 this subsection shall lapse.

30 **(51) \$676,000 of the general fund—state appropriation for fiscal**
31 **year 2019 is provided solely for implementation of Substitute House**
32 **Bill No. 2748 (learning assistance program). If the bill is not**
33 **enacted by June 30, 2018, the amount provided in this subsection**
34 **shall lapse.**

35 (52) \$230,000 of the general fund—state appropriation for fiscal
36 year 2019 is provided solely for implementation of Second Substitute
37 House Bill No. 1896 (civics education). If the bill is not enacted by
38 June 30, 2018, the amount provided in this subsection shall lapse.

1 (53) Within amounts appropriated in this section, the office of
2 the superintendent of public instruction and the state board of
3 education shall adopt a rule that the minimum number of students to
4 be used for public reporting and federal accountability purposes is
5 ten.

6 (54) \$335,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for implementation of Engrossed Second
8 Substitute House Bill No. 1600 (career and college readiness). If the
9 bill is not enacted by June 30, 2018, the amount provided in this
10 subsection shall lapse.

11 (55) \$100,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely to the office of the superintendent of
13 public instruction for programs to combat bias. The office of the
14 superintendent of public instruction must contract with a nonprofit
15 organization that supports Washington teachers in implementing
16 lessons of the Holocaust for the creation of a comprehensive online
17 encyclopedia of local Holocaust education resources. The online
18 encyclopedia must include teaching trunk materials, Anne Frank
19 materials, genocide resources, and video testimonies.

20 (56) \$200,000 of the general fund—state appropriation for fiscal
21 year 2019 is provided for the office of the superintendent of public
22 instruction to meet statutory obligations related to the provision of
23 medically and scientifically accurate, age-appropriate, and inclusive
24 sexual health education as authorized by chapter 206, Laws of 1988
25 (AIDS omnibus act) and chapter 265, Laws of 2007 (healthy youth act).
26 The office of the superintendent of public instruction must submit a
27 report to the appropriate policy and fiscal committees of the
28 legislature by June 30, 2019, outlining accomplishments and
29 deliverables achieved in fiscal year 2019.

30 (57) The office of the superintendent of public instruction, in
31 collaboration with the department of social and health services
32 developmental disabilities administration and division of vocational
33 rehabilitation, shall explore the development of an implementation
34 plan to build statewide capacity among school districts to improve
35 transition planning for students in special education who meet
36 criteria for services from the developmental disabilities
37 administration, and shall provide all school districts with an
38 opportunity to participate. The plan shall be submitted in compliance
39 with RCW 43.01.036 by November 1, 2018, and the final report must be

1 submitted by November 1, 2020, to the governor and appropriate
2 legislative committees.

3 (58) \$40,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for the legislative youth advisory
5 council. The council of statewide members advises legislators on
6 issues of importance to youth.

7 (59) \$100,000 of the general fund—state appropriation for fiscal
8 year 2019 is provided solely to contract with a nonprofit, civil
9 rights and human relations organization with expertise in tracking
10 and responding to hate incidents in schools, and with experience
11 implementing programs designed to empower students to improve upon
12 and sustain school climates that combat bias and bullying. The
13 contract must expand the organization's current anti-bias programs to
14 eight public schools across Washington, with at least half of the
15 public schools located east of the crest of the Cascade mountains.
16 Amounts provided in this subsection may be used to support preprogram
17 planning, trainings, guidance, surveys, materials, and the hiring of
18 a part-time contractor to support data tracking.

19 (60) \$120,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for implementation of Second Substitute
21 Senate Bill No. 6162 (dyslexia). If the bill is not enacted by June
22 30, 2018, the amount provided in this subsection shall lapse.

23 (61) Within the amounts appropriated in this section the office
24 of the superintendent of public instruction shall ensure career and
25 technical education courses are aligned with high-demand, high-wage
26 jobs. The superintendent shall verify that the current list of career
27 and technical education courses meets the criteria established in RCW
28 28A.700.020(2). The superintendent shall remove from the list any
29 career and technical education course that no longer meets such
30 criteria.

31 (62) \$240,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for the office of native education to
33 increase services to tribes, including but not limited to, providing
34 assistance to tribes and school districts to implement Since Time
35 Immemorial, applying to become tribal compact schools, convening the
36 Washington state native American education advisory committee, and
37 extending professional learning opportunities to provide instruction
38 in tribal history, culture, and government.

1 (63) \$10,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the civic education travel grant
3 program pursuant to RCW 28A.300.480.

4 (64) Within the amounts appropriated in this section, the office
5 of the superintendent of public instruction may develop
6 recommendations to amend long-standing provisos within Part V of the
7 omnibus operating budget. The office of the superintendent of public
8 instruction shall submit recommendations, to include rationale why
9 each proposed change should be made, to the office of financial
10 management and the fiscal committees of the legislature by July 1,
11 2018.

12 (65) Within the amounts appropriated in this section, the office
13 of the superintendent of public instruction shall coordinate with
14 school districts and educational service districts that contract for
15 transportation bus services and report the following information to
16 the appropriate fiscal committees of the legislature by December 1,
17 2018:

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

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

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

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

29 (e) A copy of the transportation contract.

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

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

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

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

1 (67) \$900,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the office of the superintendent of
3 public instruction to leverage federal funding from the e-rate
4 program operated by the universal service administrative company,
5 under the federal communications commission. Funding is provided to
6 enable more student access to digital learning.

7 (68) \$4,000,000 of the general fund—state appropriation for
8 fiscal year 2019 is provided solely for the office of the
9 superintendent of public instruction to provide grants to school
10 districts and educational service districts for science teacher
11 training in the next generation science standards including training
12 in the climate science standards. At a minimum, school districts
13 shall ensure that teachers in one grade level in each elementary,
14 middle, and high school participate in this science training. Of the
15 amount appropriated \$1,000,000 is provided solely for community based
16 nonprofits to partner with public schools for next generation science
17 standards.

18 (69) \$722,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for the superintendent of public
20 instruction to provide grants to educational service districts and
21 school districts to develop or expand regional safety programs to
22 address student safety. At a minimum, programs must implement a
23 multitier threat assessment system; develop a process for notifying
24 schools, including private schools, of safety emergencies; and make
25 recommendations or implement appropriate safety technology consistent
26 with regional need.

27 (70) \$131,000 of the general fund—state appropriation for fiscal
28 year 2019 is provided solely for implementation of Substitute House
29 Bill No. 2685 (high school preapprenticeships). If the bill is not
30 enacted by June 30, 2018, the amount provided in this subsection
31 shall lapse.

**Sec. 501 was partially vetoed. See message at end of chapter.*

32 *Sec. 502. 2017 3rd sp.s. c 1 s 502 (uncodified) is amended to
33 read as follows:

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

36 General Fund—State Appropriation (FY 2018) . . . ((\$7,183,886,000))
37 \$7,239,334,000

| | | | |
|---|--|-----------|-----------------------------------|
| 1 | General Fund—State Appropriation (FY 2019) | . . . | ((\$7,412,055,000)) |
| 2 | | | <u>\$7,142,294,000</u> |
| 3 | Education Legacy Trust Account—State Appropriation | . | ((\$345,730,000)) |
| 4 | | | <u>\$595,730,000</u> |
| 5 | TOTAL APPROPRIATION. | | ((\$14,941,671,000)) |
| 6 | | | <u>\$14,977,358,000</u> |

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

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

12 (b) For the 2017-18 and 2018-19 school years, the superintendent
13 shall allocate general apportionment funding to school districts as
14 provided in the funding formulas and salary allocations in sections
15 502 and 503 of this act, excluding (c) of this subsection, and in
16 House Bill No. 2242 (fully funding the program of basic education).

17 (c) From July 1, 2017, to August 31, 2017, the superintendent
18 shall allocate general apportionment funding to school districts
19 programs as provided in sections 502 and 503, chapter 4, Laws of 2015
20 3rd sp. sess., as amended.

21 (d) The enrollment of any district shall be the annual average
22 number of full-time equivalent students and part-time students as
23 provided in RCW 28A.150.350, enrolled on the fourth day of school in
24 September and on the first school day of each month October through
25 June, including students who are in attendance pursuant to RCW
26 28A.335.160 and 28A.225.250 who do not reside within the servicing
27 school district. Any school district concluding its basic education
28 program in May must report the enrollment of the last school day held
29 in May in lieu of a June enrollment.

30 (e)(i) Funding provided in part V of this act is sufficient to
31 provide each full-time equivalent student with the minimum hours of
32 instruction required under RCW 28A.150.220.

33 (ii) The office of the superintendent of public instruction shall
34 align the agency rules defining a full-time equivalent student with
35 the increase in the minimum instructional hours under RCW
36 28A.150.220, as amended by the legislature in 2014.

37 (f) The superintendent shall adopt rules requiring school
38 districts to report full-time equivalent student enrollment as
39 provided in RCW 28A.655.210.

1 (g) For the 2017-18 and 2018-19 school years, school districts
2 must report to the office of the superintendent of public instruction
3 the monthly actual average district-wide class size across each grade
4 level of kindergarten, first grade, second grade, and third grade
5 classes. The superintendent of public instruction shall report this
6 information to the education and fiscal committees of the house of
7 representatives and the senate by September 30th of each year.

8 (h) For the 2018-19 school year, a school district qualifies for
9 a hold harmless payment if the sum of the school district's state
10 basic education allocations plus its enrichment levy and local effort
11 assistance under chapter 13, Laws of 2017 3rd sp. sess. is less than
12 the sum of state basic education allocations, local maintenance and
13 operation levy, and local effort assistance provided under the law as
14 it existed on January 1, 2017. For the purposes of this section, the
15 local levy is limited to the lesser of the voter-approved levy as of
16 January 1, 2017, or the maximum levy allowed under the law as of
17 January 1, 2017.

18 (2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

19 Allocations for certificated instructional staff salaries for the
20 2017-18 and 2018-19 school years are determined using formula-
21 generated staff units calculated pursuant to this subsection.

22 (a) Certificated instructional staff units, as defined in RCW
23 28A.150.410, shall be allocated to reflect the minimum class size
24 allocations, requirements, and school prototypes assumptions as
25 provided in RCW 28A.150.260. The superintendent shall make
26 allocations to school districts based on the district's annual
27 average full-time equivalent student enrollment in each grade.

28 (b) Additional certificated instructional staff units provided in
29 this subsection (2) that exceed the minimum requirements in RCW
30 28A.150.260 are enhancements outside the program of basic education,
31 except as otherwise provided in this section.

32 (c)(i) The superintendent shall base allocations for each level
33 of prototypical school on the following regular education average
34 class size of full-time equivalent students per teacher, except as
35 provided in (c)(ii) of this subsection:

36 General education class size:

| 37 Grade | RCW 28A.150.260 | 2017-18 | 2018-19 |
|----------|-----------------|-------------|-------------|
| | | School Year | School Year |

| | | | |
|---|-------------|-------|-------|
| 1 | Grade K | 17.00 | 17.00 |
| 2 | Grade 1 | 17.00 | 17.00 |
| 3 | Grade 2 | 17.00 | 17.00 |
| 4 | Grade 3 | 17.00 | 17.00 |
| 5 | Grade 4 | 27.00 | 27.00 |
| 6 | Grades 5-6 | 27.00 | 27.00 |
| 7 | Grades 7-8 | 28.53 | 28.53 |
| 8 | Grades 9-12 | 28.74 | 28.74 |

9 The superintendent shall base allocations for: Laboratory science
10 average class size as provided in RCW 28A.150.260; career and
11 technical education (CTE) class size of 23.0; and skill center
12 program class size of 20.0.

13 (ii) For each level of prototypical school at which more than
14 fifty percent of the students were eligible for free and reduced-
15 price meals in the prior school year, the superintendent shall
16 allocate funding based on the following average class size of full-
17 time equivalent students per teacher:

18 General education class size in high poverty schools:

| 19 | Grade | RCW 28A.150.260 | 2017-18 | 2018-19 |
|----|-------------|-----------------|-------------|-------------|
| 20 | | | School Year | School Year |
| 21 | Grade K | | 17.00 | 17.00 |
| 22 | Grade 1 | | 17.00 | 17.00 |
| 23 | Grade 2 | | 17.00 | 17.00 |
| 24 | Grade 3 | | 17.00 | 17.00 |
| 25 | Grade 4 | | 27.00 | 27.00 |
| 26 | Grades 5-6 | | 27.00 | 27.00 |
| 27 | Grades 7-8 | | 28.53 | 28.53 |
| 28 | Grades 9-12 | | 28.74 | 28.74 |

29 (iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher
30 planning period, expressed as a percentage of a teacher work day, is
31 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

32 (iv) Advanced placement and international baccalaureate courses
33 are funded at the same class size assumptions as general education
34 schools in the same grade; and

1 (d)(i) Funding for teacher librarians, school nurses, social
2 workers, school psychologists, and guidance counselors is allocated
3 based on the school prototypes as provided in RCW 28A.150.260 and is
4 considered certificated instructional staff, except as provided in
5 (d)(ii) of this subsection.

6 (ii) Students in approved career and technical education and
7 skill center programs generate certificated instructional staff units
8 to provide for the services of teacher librarians, school nurses,
9 social workers, school psychologists, and guidance counselors at the
10 following combined rate per 1000 student full-time equivalent
11 enrollment:

| | 2017-18 | 2018-19 |
|-----------------------------------|-------------|-------------|
| | School Year | School Year |
| 14 Career and Technical Education | 3.07 | 3.07 |
| 15 Skill Center | 3.41 | 3.41 |

16 (3) ADMINISTRATIVE STAFF ALLOCATIONS

17 (a) Allocations for school building-level certificated
18 administrative staff salaries for the 2017-18 and 2018-19 school
19 years for general education students are determined using the formula
20 generated staff units calculated pursuant to this subsection. The
21 superintendent shall make allocations to school districts based on
22 the district's annual average full-time equivalent enrollment in each
23 grade. The following prototypical school values shall determine the
24 allocation for principals, assistance principals, and other
25 certificated building level administrators:

26 Prototypical School Building:

| | |
|----------------------|-------|
| 27 Elementary School | 1.253 |
| 28 Middle School | 1.353 |
| 29 High School | 1.880 |

30 (b) Students in approved career and technical education and skill
31 center programs generate certificated school building-level
32 administrator staff units at per student rates that are a multiple of
33 the general education rate in (a) of this subsection by the following
34 factors: Career and Technical Education students. 1.025
35 Skill Center students. 1.198

36 (4) CLASSIFIED STAFF ALLOCATIONS

1 Allocations for classified staff units providing school building-
2 level and district-wide support services for the 2017-18 and 2018-19
3 school years are determined using the formula-generated staff units
4 provided in RCW 28A.150.260 and pursuant to this subsection, and
5 adjusted based on each district's annual average full-time equivalent
6 student enrollment in each grade.

7 (5) CENTRAL OFFICE ALLOCATIONS

8 In addition to classified and administrative staff units
9 allocated in subsections (3) and (4) of this section, classified and
10 administrative staff units are provided for the 2017-18 and 2018-19
11 school years for the central office administrative costs of operating
12 a school district, at the following rates:

13 (a) The total central office staff units provided in this
14 subsection (5) are calculated by first multiplying the total number
15 of eligible certificated instructional, certificated administrative,
16 and classified staff units providing school-based or district-wide
17 support services, as identified in RCW 28A.150.260(6)(b) and the
18 increased allocations provided pursuant to subsections (2) and (4) of
19 this section, by 5.3 percent.

20 (b) Of the central office staff units calculated in (a) of this
21 subsection, 74.53 percent are allocated as classified staff units, as
22 generated in subsection (4) of this section, and 25.47 percent shall
23 be allocated as administrative staff units, as generated in
24 subsection (3) of this section.

25 (c) Staff units generated as enhancements outside the program of
26 basic education to the minimum requirements of RCW 28A.150.260, and
27 staff units generated by skill center and career-technical students,
28 are excluded from the total central office staff units calculation in
29 (a) of this subsection.

30 (d) For students in approved career-technical and skill center
31 programs, central office classified units are allocated at the same
32 staff unit per student rate as those generated for general education
33 students of the same grade in this subsection (5), and central office
34 administrative staff units are allocated at staff unit per student
35 rates that exceed the general education rate established for students
36 in the same grade in this subsection (5) by 12.29 percent in the
37 2017-18 school year and 12.29 percent in the 2018-19 school year for
38 career and technical education students, and 17.61 percent in the

1 2017-18 school year and 17.61 percent in the 2018-19 school year for
2 skill center students.

3 (6) FRINGE BENEFIT ALLOCATIONS

4 Fringe benefit allocations shall be calculated at a rate of 23.49
5 percent in the 2017-18 school year and ((23.49)) 23.65 percent in the
6 2018-19 school year for certificated salary allocations provided
7 under subsections (2), (3), and (5) of this section, and a rate of
8 24.60 percent in the 2017-18 school year and ((24.60)) 24.67 percent
9 in the 2018-19 school year for classified salary allocations provided
10 under subsections (4) and (5) of this section.

11 (7) INSURANCE BENEFIT ALLOCATIONS

12 Insurance benefit allocations shall be calculated at the
13 maintenance rate specified in section 504 of this act, based on the
14 number of benefit units determined as follows:

15 (a) The number of certificated staff units determined in
16 subsections (2), (3), and (5) of this section; and

17 (b) The number of classified staff units determined in
18 subsections (4) and (5) of this section multiplied by 1.152. This
19 factor is intended to adjust allocations so that, for the purpose of
20 distributing insurance benefits, full-time equivalent classified
21 employees may be calculated on the basis of 1,440 hours of work per
22 year, with no individual employee counted as more than one full-time
23 equivalent.

24 (8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

25 Funding is allocated per annual average full-time equivalent
26 student for the materials, supplies, and operating costs (MSOC)
27 incurred by school districts, consistent with the requirements of RCW
28 28A.150.260.

29 (a)(i) MSOC funding for general education students are allocated
30 at the following per student rates:

31 MSOC RATES/STUDENT FTE

| 32 | 33 MSOC Component | 34 2017-18 School Year | 35 2018-19 School Year |
|----|-------------------------|---------------------------|-------------------------------|
| 36 | Technology | \$130.76 | (((\$132.85)) <u>\$133.24</u> |
| 37 | Utilities and Insurance | \$355.30 | (((\$360.98)) <u>\$362.05</u> |

| | | | |
|---|---|------------|---------------------------------------|
| 1 | Curriculum and Textbooks | \$140.39 | (\$142.64) <u>\$143.06</u> |
| 2 | Other Supplies and Library Materials | \$298.05 | (\$302.82) <u>\$303.71</u> |
| 3 | Instructional Professional Development for Certificated | \$21.71 | (\$22.06) <u>\$22.12</u> |
| 4 | and Classified Staff | | |
| 5 | Facilities Maintenance | \$176.01 | (\$178.83) <u>\$179.36</u> |
| 6 | Security and Central Office | \$121.94 | (\$123.89) <u>\$124.26</u> |
| 7 | TOTAL BASIC EDUCATION MSOC/STUDENT FTE | \$1,244.16 | (\$1,264.07) |
| 8 | | | <u>\$1,267.80</u> |

9 (ii) For the 2017-18 school year and 2018-19 school year, as part
10 of the budget development, hearing, and review process required by
11 chapter 28A.505 RCW, each school district must disclose: (A) The
12 amount of state funding to be received by the district under (a) and
13 (d) of this subsection (8); (B) the amount the district proposes to
14 spend for materials, supplies, and operating costs; (C) the
15 difference between these two amounts; and (D) if (A) of this
16 subsection (8)(a)(ii) exceeds (B) of this subsection (8)(a)(ii), any
17 proposed use of this difference and how this use will improve student
18 achievement.

19 (b) Students in approved skill center programs generate per
20 student FTE MSOC allocations of \$1,472.01 for the 2017-18 school year
21 and ~~(\$1,495.56)~~ \$1,499.98 for the 2018-19 school year.

22 (c) Students in approved exploratory and preparatory career and
23 technical education programs generate per student FTE MSOC
24 allocations of \$1,472.01 for the 2017-18 school year and
25 ~~(\$1,495.56)~~ \$1,499.98 for the 2018-19 school year.

26 (d) Students in grades 9-12 generate per student FTE MSOC
27 allocations in addition to the allocations provided in (a) through
28 (c) of this subsection at the following rate:

| 29 | MSOC Component | 2017-18 | 2018-19 |
|----|--|-------------|---------------------------------------|
| 30 | | School Year | School Year |
| 31 | Technology | \$37.60 | (\$38.20) <u>\$38.31</u> |
| 32 | Curriculum and Textbooks | \$41.02 | (\$41.67) <u>\$41.80</u> |
| 33 | Other Supplies and Library Materials | \$85.46 | (\$86.82) <u>\$87.08</u> |
| 34 | Instructional Professional Development for Certified | \$6.83 | (\$6.95) <u>\$6.97</u> |
| 35 | and Classified Staff | | |
| 36 | TOTAL GRADE 9-12 BASIC EDUCATION MSOC/STUDENT FTE | \$170.91 | (\$173.64) <u>\$174.16</u> |

1 (9) SUBSTITUTE TEACHER ALLOCATIONS

2 For the 2017-18 and 2018-19 school years, funding for substitute
3 costs for classroom teachers is based on four (4) funded substitute
4 days per classroom teacher unit generated under subsection (2) of
5 this section, at a daily substitute rate of \$151.86.

6 (10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

7 (a) Amounts provided in this section from July 1, 2017, to August
8 31, 2017, are adjusted to reflect provisions of chapter 4, Laws of
9 2015 3rd sp. sess., as amended (allocation of funding for students
10 enrolled in alternative learning experiences).

11 (b) The superintendent of public instruction shall require all
12 districts receiving general apportionment funding for alternative
13 learning experience (ALE) programs as defined in WAC 392-121-182 to
14 provide separate financial accounting of expenditures for the ALE
15 programs offered in district or with a provider, including but not
16 limited to private companies and multidistrict cooperatives, as well
17 as accurate, monthly headcount and FTE enrollment claimed for basic
18 education, including separate counts of resident and nonresident
19 students.

20 (11) DROPOUT REENGAGEMENT PROGRAM

21 The superintendent shall adopt rules to require students claimed
22 for general apportionment funding based on enrollment in dropout
23 reengagement programs authorized under RCW 28A.175.100 through
24 28A.175.115 to meet requirements for at least weekly minimum
25 instructional contact, academic counseling, career counseling, or
26 case management contact. Districts must also provide separate
27 financial accounting of expenditures for the programs offered by the
28 district or under contract with a provider, as well as accurate
29 monthly headcount and full-time equivalent enrollment claimed for
30 basic education, including separate enrollment counts of resident and
31 nonresident students.

32 (12) ALL DAY KINDERGARTEN PROGRAMS

33 Funding in this section is sufficient to fund all day
34 kindergarten programs in all schools in the 2017-18 school year and
35 2018-19 school year, pursuant to RCW 28A.150.220 and 28A.150.315.

36 (13) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND
37 NECESSARY PLANTS

1 For small school districts and remote and necessary school plants
2 within any district which have been judged to be remote and necessary
3 by the superintendent of public instruction, additional staff units
4 are provided to ensure a minimum level of staffing support.
5 Additional administrative and certificated instructional staff units
6 provided to districts in this subsection shall be reduced by the
7 general education staff units, excluding career and technical
8 education and skills center enhancement units, otherwise provided in
9 subsections (2) through (5) of this section on a per district basis.

10 (a) For districts enrolling not more than twenty-five average
11 annual full-time equivalent students in grades K-8, and for small
12 school plants within any school district which have been judged to be
13 remote and necessary by the superintendent of public instruction and
14 enroll not more than twenty-five average annual full-time equivalent
15 students in grades K-8:

16 (i) For those enrolling no students in grades 7 and 8, 1.76
17 certificated instructional staff units and 0.24 certificated
18 administrative staff units for enrollment of not more than five
19 students, plus one-twentieth of a certificated instructional staff
20 unit for each additional student enrolled; and

21 (ii) For those enrolling students in grades 7 or 8, 1.68
22 certificated instructional staff units and 0.32 certificated
23 administrative staff units for enrollment of not more than five
24 students, plus one-tenth of a certificated instructional staff unit
25 for each additional student enrolled;

26 (b) For specified enrollments in districts enrolling more than
27 twenty-five but not more than one hundred average annual full-time
28 equivalent students in grades K-8, and for small school plants within
29 any school district which enroll more than twenty-five average annual
30 full-time equivalent students in grades K-8 and have been judged to
31 be remote and necessary by the superintendent of public instruction:

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

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

39 (c) For districts operating no more than two high schools with
40 enrollments of less than three hundred average annual full-time

1 equivalent students, for enrollment in grades 9-12 in each such
2 school, other than alternative schools, except as noted in this
3 subsection:

4 (i) For remote and necessary schools enrolling students in any
5 grades 9-12 but no more than twenty-five average annual full-time
6 equivalent students in grades K-12, four and one-half certificated
7 instructional staff units and one-quarter of a certificated
8 administrative staff unit;

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

16 (iii) Districts receiving staff units under this subsection shall
17 add students enrolled in a district alternative high school and any
18 grades nine through twelve alternative learning experience programs
19 with the small high school enrollment for calculations under this
20 subsection;

21 (d) For each nonhigh school district having an enrollment of more
22 than seventy annual average full-time equivalent students and less
23 than one hundred eighty students, operating a grades K-8 program or a
24 grades 1-8 program, an additional one-half of a certificated
25 instructional staff unit;

26 (e) For each nonhigh school district having an enrollment of more
27 than fifty annual average full-time equivalent students and less than
28 one hundred eighty students, operating a grades K-6 program or a
29 grades 1-6 program, an additional one-half of a certificated
30 instructional staff unit;

31 (f)(i) For enrollments generating certificated staff unit
32 allocations under (a) through (e) of this subsection, one classified
33 staff unit for each 2.94 certificated staff units allocated under
34 such subsections;

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

39 (g) School districts receiving additional staff units to support
40 small student enrollments and remote and necessary plants under this

1 subsection (~~((12))~~) (13) shall generate additional MSOC allocations
2 consistent with the nonemployee related costs (NERC) allocation
3 formula in place for the 2010-11 school year as provided section 502,
4 chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget),
5 adjusted annually for inflation.

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

15 (15) The superintendent may distribute funding for the following
16 programs outside the basic education formula during fiscal years 2018
17 and 2019 as follows:

18 (a) \$638,000 of the general fund—state appropriation for fiscal
19 year 2018 and (~~(\$648,000)~~) \$650,000 of the general fund—state
20 appropriation for fiscal year 2019 are provided solely for fire
21 protection for school districts located in a fire protection district
22 as now or hereafter established pursuant to chapter 52.04 RCW.

23 (b) \$436,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$436,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for programs providing skills
26 training for secondary students who are enrolled in extended day
27 school-to-work programs, as approved by the superintendent of public
28 instruction. The funds shall be allocated at a rate not to exceed
29 \$500 per full-time equivalent student enrolled in those programs.

30 (16) \$225,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$229,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for school district emergencies
33 as certified by the superintendent of public instruction. Funding
34 provided must be conditioned upon the written commitment and plan of
35 the school district board of directors to repay the grant with any
36 insurance payments or other judgments that may be awarded, if
37 applicable. At the close of the fiscal year the superintendent of
38 public instruction shall report to the office of financial management

1 and the appropriate fiscal committees of the legislature on the
2 allocations provided to districts and the nature of the emergency.

3 (17) Funding in this section is sufficient to fund a maximum of
4 1.6 FTE enrollment for skills center students pursuant to chapter
5 463, Laws of 2007.

6 (18) Students participating in running start programs may be
7 funded up to a combined maximum enrollment of 1.2 FTE including
8 school district and institution of higher education enrollment
9 consistent with the running start course requirements provided in
10 chapter 202, Laws of 2015 (dual credit education opportunities). In
11 calculating the combined 1.2 FTE, the office of the superintendent of
12 public instruction may average the participating student's September
13 through June enrollment to account for differences in the start and
14 end dates for courses provided by the high school and higher
15 education institution. Additionally, the office of the superintendent
16 of public instruction, in consultation with the state board for
17 community and technical colleges, the student achievement council,
18 and the education data center, shall annually track and report to the
19 fiscal committees of the legislature on the combined FTE experience
20 of students participating in the running start program, including
21 course load analyses at both the high school and community and
22 technical college system.

23 (19) If two or more school districts consolidate and each
24 district was receiving additional basic education formula staff units
25 pursuant to subsection ~~((12))~~ (13) of this section, the following
26 apply:

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

31 (b) For the fourth through eighth school years following
32 consolidation, the difference between the basic education formula
33 staff units received by the districts for the school year prior to
34 consolidation and the basic education formula staff units after
35 consolidation pursuant to subsection ~~((12))~~ (13) of this section
36 shall be reduced in increments of twenty percent per year.

37 (20)(a) Indirect cost charges by a school district to approved
38 career and technical education middle and secondary programs shall
39 not exceed ~~((5-percent))~~ the lesser of five percent or the cap
40 established in federal law of the combined basic education and career

1 and technical education program enhancement allocations of state
2 funds. Middle and secondary career and technical education programs
3 are considered separate programs for funding and financial reporting
4 purposes under this section.

5 (b) Career and technical education program full-time equivalent
6 enrollment shall be reported on the same monthly basis as the
7 enrollment for students eligible for basic support, and payments
8 shall be adjusted for reported career and technical education program
9 enrollments on the same monthly basis as those adjustments for
10 enrollment for students eligible for basic support.

11 (21) Funding in this section is sufficient to provide full
12 general apportionment payments to school districts eligible for
13 federal forest revenues as provided in RCW 28A.520.020. For the
14 2017-2019 biennium, general apportionment payments are not reduced
15 for school districts receiving federal forest revenues.

**Sec. 502 was partially vetoed. See message at end of chapter.*

16 **Sec. 503.** 2017 3rd sp.s. c 1 s 503 (uncodified) is amended to
17 read as follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—BASIC EDUCATION EMPLOYEE**
19 **COMPENSATION**

20 (1) The following calculations determine the salaries used in the
21 state allocations for certificated instructional, certificated
22 administrative, and classified staff units as provided in House Bill
23 No. 2242 (fully funding the program of basic education), RCW
24 28A.150.260, and under section 502 of this act:

25 (a) For the 2017-18 school year, salary allocations for
26 certificated instructional staff units are determined for each
27 district by multiplying the district's certificated instructional
28 total base salary shown on LEAP Document 2 by the district's average
29 staff mix factor for certificated instructional staff in that school
30 year, computed using LEAP document 1.

31 (b) For the 2017-18 school year, salary allocations for
32 certificated administrative staff units and classified staff units
33 for each district are determined based on the district's certificated
34 administrative and classified salary allocation amounts shown on LEAP
35 Document 2.

36 (c) For the 2018-19 school year salary allocations for
37 certificated instructional staff, certificated administrative staff,
38 and classified staff units are determined for each school district by

1 multiplying the statewide minimum salary allocation for each staff
2 type by the school district's regionalization factor shown in LEAP
3 Document 3.

4 Statewide Minimum Salary Allocation

5 For School Year 2018-19

| | | |
|----|-----------------------------------|------------------------------|
| 6 | Certificated Instructional Staff | ((\$59,333.55)) |
| 7 | | <u>\$65,216.05</u> |
| 8 | Certificated Administrative Staff | ((\$79,127.50)) |
| 9 | | <u>\$96,805.00</u> |
| 10 | Classified Staff | ((\$39,975.50)) |
| 11 | | <u>\$46,784.33</u> |

12 (2) For the purposes of this section:

13 (a) "LEAP Document 1" means the staff mix factors for
14 certificated instructional staff according to education and years of
15 experience, as developed by the legislative evaluation and
16 accountability program committee on June 22, 2017, at 1:14 hours; and

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

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

27 (3) Incremental fringe benefit factors are applied to salary
28 adjustments at a rate of 22.85 percent for school year 2017-18 and
29 (~~22.85~~) 23.01 percent for school year 2018-19 for certificated
30 instructional and certificated administrative staff and 21.10 percent
31 for school year 2017-18 and (~~21.10~~) 21.17 percent for the 2018-19
32 school year for classified staff.

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

Table Of Total Base Salaries For Certificated Instructional Staff

For School Year 2017-18

*** Education Experience ***

| Years of Service | BA | BA+15 | BA+30 | BA+45 | BA+90 | BA+135 | MA | MA+45 | MA+90 OR Ph.D. |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------------------|
| 0 | 36,521 | 37,507 | 38,529 | 39,554 | 42,840 | 44,957 | 43,785 | 47,072 | 49,191 |
| 1 | 37,013 | 38,013 | 39,048 | 40,117 | 43,438 | 45,543 | 44,272 | 47,593 | 49,697 |
| 2 | 37,481 | 38,491 | 39,537 | 40,688 | 44,000 | 46,127 | 44,762 | 48,073 | 50,201 |
| 3 | 37,964 | 38,983 | 40,040 | 41,229 | 44,534 | 46,712 | 45,227 | 48,529 | 50,709 |
| 4 | 38,437 | 39,501 | 40,565 | 41,794 | 45,119 | 47,313 | 45,714 | 49,038 | 51,234 |
| 5 | 38,926 | 39,995 | 41,069 | 42,367 | 45,679 | 47,918 | 46,209 | 49,522 | 51,760 |
| 6 | 39,428 | 40,474 | 41,585 | 42,948 | 46,244 | 48,494 | 46,716 | 50,013 | 52,262 |
| 7 | 40,312 | 41,373 | 42,498 | 43,935 | 47,280 | 49,593 | 47,666 | 51,010 | 53,324 |
| 8 | 41,604 | 42,724 | 43,876 | 45,431 | 48,822 | 51,219 | 49,161 | 52,552 | 54,949 |
| 9 | | 44,122 | 45,332 | 46,943 | 50,413 | 52,892 | 50,672 | 54,143 | 56,623 |
| 10 | | | 46,805 | 48,533 | 52,049 | 54,611 | 52,263 | 55,780 | 58,340 |
| 11 | | | | 50,169 | 53,761 | 56,375 | 53,899 | 57,492 | 60,104 |
| 12 | | | | 51,753 | 55,520 | 58,211 | 55,600 | 59,250 | 61,942 |
| 13 | | | | | 57,322 | 60,093 | 57,360 | 61,052 | 63,823 |
| 14 | | | | | 59,132 | 62,046 | 59,172 | 62,981 | 65,776 |
| 15 | | | | | 60,671 | 63,660 | 60,710 | 64,618 | 67,486 |
| 16 or more | | | | | 61,884 | 64,932 | 61,924 | 65,910 | 68,836 |

(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.

- 1 (5) For the purposes of this section:
 2 (a) "BA" means a baccalaureate degree.
 3 (b) "MA" means a masters degree.
 4 (c) "PHD" means a doctorate degree.
 5 (d) "Years of service" shall be calculated under the same rules
 6 adopted by the superintendent of public instruction.
 7 (e) "Credits" means college quarter hour credits and equivalent
 8 in-service credits computed in accordance with RCW 28A.415.020 and
 9 28A.415.023.
- 10 (6) No more than ninety college quarter-hour credits received by
 11 any employee after the baccalaureate degree may be used to determine
 12 compensation allocations under the state salary allocation schedule
 13 and LEAP documents referenced in this part V, or any replacement
 14 schedules and documents, unless:
 15 (a) The employee has a masters degree; or
 16 (b) The credits were used in generating state salary allocations
 17 before January 1, 1992.
- 18 (7) The salary allocations established in this section are for
 19 allocation purposes only except as provided in this subsection, and
 20 do not entitle an individual staff position to a particular paid
 21 salary except as provided in RCW 28A.400.200, as amended by House
 22 Bill No. 2242 (fully funding the program of basic education).
- 23 (8) For school year 2018-19, the salary allocations for each
 24 district shall be the greater of:
 25 (a) The derived school year 2018-19 salary allocations in
 26 subsection (1) of this section; or
 27 (b) The derived salary allocations for school year 2017-18
 28 increased by 2.3 percent.

29 *Sec. 504. 2017 3rd sp.s. c 1 s 504 (uncodified) is amended to
 30 read as follows:

31 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL EMPLOYEE**
 32 **COMPENSATION ADJUSTMENTS**

| | |
|--|----------------------------------|
| 33 General Fund—State Appropriation (FY 2018). | ((\$216,086,000)) |
| 34 | <u>\$206,149,000</u> |
| 35 General Fund—State Appropriation (FY 2019). | ((\$1,360,536,000)) |
| 36 | <u>\$2,029,841,000</u> |
| 37 <u>Dedicated McCleary Penalty Account—State</u> | |
| 38 <u>Appropriation.</u> | <u>\$84,020,000</u> |

1 TOTAL APPROPRIATION. ((\$1,576,622,000))
2 \$2,320,010,000

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

5 (1) The salary increases provided in this section are inclusive
6 of and above the annual cost-of-living adjustments pursuant to RCW
7 28A.400.205.

8 ~~(2) ((In addition to salary allocations specified in this
9 subsection (1) funding in this subsection includes one day of
10 professional learning for each of the funded full-time equivalent
11 certificated instructional staff units in school year 2018-19.
12 Nothing in this section entitles an individual certificated
13 instructional staff to any particular number of professional learning
14 days.~~

15 ~~(3))~~(a) The appropriations in this section include associated
16 incremental fringe benefit allocations at 22.85 percent for the
17 2017-18 school year and ~~((22.85))~~ 23.01 percent for the 2018-19
18 school year for certificated instructional and certificated
19 administrative staff and 21.10 percent for the 2017-18 school year
20 and ~~((21.10))~~ 21.17 percent for the 2018-19 school year for
21 classified staff.

22 (b) The appropriations in this section include the increased or
23 decreased portion of salaries and incremental fringe benefits for all
24 relevant state-funded school programs in part V of this act. Changes
25 for general apportionment (basic education) are based on the salary
26 allocations and methodology in sections 502 and 503 of this act.
27 Changes for special education result from changes in each district's
28 basic education allocation per student. Changes for educational
29 service districts and institutional education programs are determined
30 by the superintendent of public instruction using the methodology for
31 general apportionment salaries and benefits in sections 502 and 503
32 of this act. Changes for pupil transportation are determined by the
33 superintendent of public instruction pursuant to RCW 28A.160.192, and
34 impact compensation factors in sections 502, 503, and 504 of this
35 act.

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

38 ~~((4))~~ (3) The maintenance rate for insurance benefit
39 allocations is \$780.00 per month for the 2017-18 and 2018-19 school

1 years. The appropriations in this section reflect the incremental
2 change in cost of allocating rates of \$820.00 per month for the
3 2017-18 school year and (~~(\$840.00)~~) \$843.97 per month for the 2018-19
4 school year. When bargaining for health benefits funding for the
5 school employees' benefits board during the 2017-2019 fiscal
6 biennium, any proposal agreed upon must assume the imposition of a
7 twenty-five dollar per month surcharge payment from members who use
8 tobacco products and a surcharge payment of not less than fifty
9 dollars per month from members who cover a spouse or domestic partner
10 where the spouse or domestic partner has chosen not to enroll in
11 another employer-based group health insurance that has benefits and
12 premiums with an actuarial value of not less than ninety-five percent
13 of the actuarial value of the public employees' benefits board plan
14 with the largest enrollment. The surcharge payments shall be
15 collected in addition to the member premium payment.

16 (~~(+5)~~) (4) The rates specified in this section are subject to
17 revision each year by the legislature.

18 (5) \$699,437,000 of the general fund—state appropriation in
19 fiscal year 2019 and \$84,020,000 of the dedicated McCleary penalty
20 account—state appropriation are provided solely for allocation to
21 school districts to increase compensation related to increasing
22 school employee salary allocations, changing the special education
23 excess cost multiplier as provided in RCW 28A.150.390(2)(b),
24 regionalization factors as provided in RCW 28A.150.412(2)(b), and
25 professional learning day delay, each as amended by Engrossed Second
26 Substitute Senate Bill No. 6362 (basic education).

**Sec. 504 was partially vetoed. See message at end of chapter.*

27 **Sec. 505.** 2017 3rd sp.s. c 1 s 505 (uncodified) is amended to
28 read as follows:

29 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION**

| | |
|---|----------------------------------|
| 30 General Fund—State Appropriation (FY 2018) | ((\$502,599,000)) |
| 31 | \$518,512,000 |
| 32 General Fund—State Appropriation (FY 2019) | ((\$497,940,000)) |
| 33 | \$519,533,000 |
| 34 TOTAL APPROPRIATION. | ((\$1,000,539,000)) |
| 35 | \$1,038,045,000 |

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

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

4 (2)(a) For the 2017-18 and 2018-19 school years, the
5 superintendent shall allocate funding to school district programs for
6 the transportation of eligible students as provided in RCW
7 28A.160.192. Funding in this section constitutes full implementation
8 of RCW 28A.160.192, which enhancement is within the program of basic
9 education. Students are considered eligible only if meeting the
10 definitions provided in RCW 28A.160.160.

11 (b) From July 1, 2017, to August 31, 2017, the superintendent
12 shall allocate funding to school districts programs for the
13 transportation of students as provided in section 505, chapter 4,
14 Laws of 2015 3rd sp. sess., as amended.

15 (3) Within amounts appropriated in this section, up to
16 \$10,000,000 of the general fund—state appropriation for fiscal year
17 2018 and up to \$10,000,000 of the general fund—state appropriation
18 for fiscal year 2019 are for a transportation alternate funding grant
19 program based on the alternate funding process established in RCW
20 28A.160.191. The superintendent of public instruction must include a
21 review of school district efficiency rating, key performance
22 indicators and local school district characteristics such as unique
23 geographic constraints in the grant award process.

24 (4) A maximum of \$913,000 of this fiscal year 2018 appropriation
25 and a maximum of (~~(\$937,000)~~) \$939,000 of the fiscal year 2019
26 appropriation may be expended for regional transportation
27 coordinators and related activities. The transportation coordinators
28 shall ensure that data submitted by school districts for state
29 transportation funding shall, to the greatest extent practical,
30 reflect the actual transportation activity of each district.

31 (5) The office of the superintendent of public instruction shall
32 provide reimbursement funding to a school district for school bus
33 purchases only after the superintendent of public instruction
34 determines that the school bus was purchased from the list
35 established pursuant to RCW 28A.160.195(2) or a comparable
36 competitive bid process based on the lowest price quote based on
37 similar bus categories to those used to establish the list pursuant
38 to RCW 28A.160.195.

39 (6) The superintendent of public instruction shall base
40 depreciation payments for school district buses on the presales tax

1 five-year average of lowest bids in the appropriate category of bus.
2 In the final year on the depreciation schedule, the depreciation
3 payment shall be based on the lowest bid in the appropriate bus
4 category for that school year.

5 (7) Funding levels in this section reflect waivers granted by the
6 state board of education for four-day school weeks as allowed under
7 RCW 28A.305.141.

8 (8) The office of the superintendent of public instruction shall
9 annually disburse payments for bus depreciation in August.

10 **Sec. 506.** 2017 3rd sp.s. c 1 s 506 (uncodified) is amended to
11 read as follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL FOOD SERVICE**
13 **PROGRAMS**

| | | |
|----|--|----------------------------|
| 14 | General Fund—State Appropriation (FY 2018) | \$7,111,000 |
| 15 | General Fund—State Appropriation (FY 2019) | (\$7,111,000) |
| 16 | | <u>\$8,371,000</u> |
| 17 | General Fund—Federal Appropriation | \$537,178,000 |
| 18 | TOTAL APPROPRIATION. | (\$551,400,000) |
| 19 | | <u>\$552,660,000</u> |

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

22 (1) \$7,111,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$7,111,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for state matching money for
25 federal child nutrition programs, and may support the meals for kids
26 program through the following allowable uses:

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

31 ~~((2))~~ (b) Assistance to school districts and authorized public
32 and private nonprofit organizations for supporting summer food
33 service programs, and initiating new summer food service programs in
34 low-income areas;

35 ~~((3))~~ (c) Reimbursements to school districts for school
36 breakfasts served to students eligible for free and reduced-price
37 lunch, pursuant to chapter 287, Laws of 2005; and

| | | |
|----|--|----------------------------------|
| 1 | | <u>\$1,001,806,000</u> |
| 2 | General Fund—Federal Appropriation | ((\$470,673,000)) |
| 3 | | <u>\$485,054,000</u> |
| 4 | Education Legacy Trust Account—State Appropriation . . . | \$54,694,000 |
| 5 | <u>Dedicated McCleary Penalty Account—State</u> | |
| 6 | <u>Appropriation.</u> | <u>\$21,180,000</u> |
| 7 | <u>Pension Funding Stabilization Account—State</u> | |
| 8 | <u>Appropriation.</u> | <u>\$20,000</u> |
| 9 | TOTAL APPROPRIATION. | ((\$2,470,706,000)) |
| 10 | | <u>\$2,528,367,000</u> |

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

13 (1)(a) Funding for special education programs is provided on an
14 excess cost basis, pursuant to RCW 28A.150.390. School districts
15 shall ensure that special education students as a class receive their
16 full share of the general apportionment allocation accruing through
17 sections 502 and 504 of this act. To the extent a school district
18 cannot provide an appropriate education for special education
19 students under chapter 28A.155 RCW through the general apportionment
20 allocation, it shall provide services through the special education
21 excess cost allocation funded in this section.

22 (b) Funding provided within this section is sufficient for
23 districts to provide school principals and lead special education
24 teachers annual professional development on the best-practices for
25 special education instruction and strategies for implementation.
26 Districts shall annually provide a summary of professional
27 development activities to the office of the superintendent of public
28 instruction.

29 (2)(a) The superintendent of public instruction shall ensure
30 that:

31 (i) Special education students are basic education students
32 first;

33 (ii) As a class, special education students are entitled to the
34 full basic education allocation; and

35 (iii) Special education students are basic education students for
36 the entire school day.

37 (b) The superintendent of public instruction shall continue to
38 implement the full cost method of excess cost accounting, as designed

1 by the committee and recommended by the superintendent, pursuant to
2 section 501(1)(k), chapter 372, Laws of 2006.

3 (3) Each fiscal year appropriation includes such funds as are
4 necessary to complete the school year ending in the fiscal year and
5 for prior fiscal year adjustments.

6 (4)(a) For the 2017-18 and 2018-19 school years, the
7 superintendent shall allocate funding to school district programs for
8 special education students as provided in RCW 28A.150.390 as amended
9 by Engrossed Second Substitute Senate Bill No. 6362 (basic
10 education), except that the calculation of the base allocation also
11 includes allocations provided under section 502 (2) and (4) of this
12 act and RCW 28A.150.415, which enhancement is within the program of
13 basic education.

14 (b) From July 1, 2017, to August 31, 2017, the superintendent
15 shall allocate funding to school district programs for special
16 education students as provided in section 507, chapter 4, Laws of
17 2015 3rd sp. sess., as amended.

18 (5) The following applies throughout this section: The
19 definitions for enrollment and enrollment percent are as specified in
20 RCW 28A.150.390(3). Each district's general fund—state funded special
21 education enrollment shall be the lesser of the district's actual
22 enrollment percent or 13.5 percent.

23 (6) At the request of any interdistrict cooperative of at least
24 15 districts in which all excess cost services for special education
25 students of the districts are provided by the cooperative, the
26 maximum enrollment percent shall be calculated in accordance with RCW
27 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate
28 rather than individual district units. For purposes of this
29 subsection, the average basic education allocation per full-time
30 equivalent student shall be calculated in the aggregate rather than
31 individual district units.

32 (7) ~~\$31,087,000~~ of the general fund—state appropriation for
33 fiscal year 2018, (~~(\$31,087,000)~~) \$35,952,000 of the general fund—
34 state appropriation for fiscal year 2019, and (~~(\$31,024,000)~~)
35 \$29,574,000 of the general fund—federal appropriation are provided
36 solely for safety net awards for districts with demonstrated needs
37 for special education funding beyond the amounts provided in
38 subsection (4) of this section. If the federal safety net awards
39 based on the federal eligibility threshold exceed the federal

1 appropriation in this subsection (7) in any fiscal year, the
2 superintendent shall expend all available federal discretionary funds
3 necessary to meet this need. At the conclusion of each school year,
4 the superintendent shall recover safety net funds that were
5 distributed prospectively but for which districts were not
6 subsequently eligible.

7 (a) For the 2017-18 and 2018-19 school years, safety net funds
8 shall be awarded by the state safety net oversight committee as
9 provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

10 (b) The office of the superintendent of public instruction shall
11 make award determinations for state safety net funding in August of
12 each school year, except that the superintendent of public
13 instruction shall make award determinations for state safety net
14 funding in July of each school year for the Washington state school
15 for the blind and for the center for childhood deafness and hearing
16 loss. Determinations on school district eligibility for state safety
17 net awards shall be based on analysis of actual expenditure data from
18 the current school year.

19 (8) A maximum of \$931,000 may be expended from the general fund—
20 state appropriations to fund 5.43 full-time equivalent teachers and
21 2.1 full-time equivalent aides at children's orthopedic hospital and
22 medical center. This amount is in lieu of money provided through the
23 home and hospital allocation and the special education program.

24 (9) The superintendent shall maintain the percentage of federal
25 flow-through to school districts at 85 percent. In addition to other
26 purposes, school districts may use increased federal funds for high-
27 cost students, for purchasing regional special education services
28 from educational service districts, and for staff development
29 activities particularly relating to inclusion issues.

30 (10) A school district may carry over from one year to the next
31 year up to 10 percent of the general fund—state funds allocated under
32 this program; however, carryover funds shall be expended in the
33 special education program.

34 (11) \$256,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$256,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for two additional full-time
37 equivalent staff to support the work of the safety net committee and
38 to provide training and support to districts applying for safety net
39 awards.

1 (12) \$50,000 of the general fund—state appropriation for fiscal
2 year 2018, \$50,000 of the general fund—state appropriation for fiscal
3 year 2019, and \$100,000 of the general fund—federal appropriation are
4 provided solely for a special education family liaison position
5 within the office of the superintendent of public instruction.

6 (13) \$21,180,000 of the dedicated McCleary penalty account—state
7 appropriation is provided solely for allocation to school districts
8 to increase the special education excess cost multiplier as provided
9 in RCW 28A.150.390(2)(b), as amended by Engrossed Second Substitute
10 Senate Bill No. 6362 (basic education).

11 **Sec. 508.** 2017 3rd sp.s. c 1 s 508 (uncodified) is amended to
12 read as follows:

13 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE**
14 **DISTRICTS**

| | | | |
|----|--|-----------|-------------------------------|
| 15 | General Fund—State Appropriation (FY 2018) | | ((\$8,534,000)) |
| 16 | | | <u>\$8,549,000</u> |
| 17 | General Fund—State Appropriation (FY 2019) | | ((\$8,558,000)) |
| 18 | | | <u>\$9,468,000</u> |
| 19 | TOTAL APPROPRIATION. | | ((\$17,092,000)) |
| 20 | | | <u>\$18,017,000</u> |

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

23 (1) The educational service districts shall continue to furnish
24 financial services required by the superintendent of public
25 instruction and RCW 28A.310.190 (3) and (4).

26 (2) Funding within this section is provided for regional
27 professional development related to mathematics and science
28 curriculum and instructional strategies aligned with common core
29 state standards and next generation science standards. Funding shall
30 be distributed among the educational service districts in the same
31 proportion as distributions in the 2007-2009 biennium. Each
32 educational service district shall use this funding solely for salary
33 and benefits for a certificated instructional staff with expertise in
34 the appropriate subject matter and in professional development
35 delivery, and for travel, materials, and other expenditures related
36 to providing regional professional development support.

37 (3) The educational service districts, at the request of the
38 state board of education pursuant to RCW 28A.310.010 and 28A.305.130,

1 may receive and screen applications for school accreditation, conduct
2 school accreditation site visits pursuant to state board of education
3 rules, and submit to the state board of education post-site visit
4 recommendations for school accreditation. The educational service
5 districts may assess a cooperative service fee to recover actual plus
6 reasonable indirect costs for the purposes of this subsection.

7 **Sec. 509.** 2017 3rd sp.s. c 1 s 509 (uncodified) is amended to
8 read as follows:

9 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT**
10 **ASSISTANCE**

| | | | |
|----|--|-----------|--------------------------------|
| 11 | General Fund—State Appropriation (FY 2018) | | ((\$449,808,000)) |
| 12 | | | <u>\$451,423,000</u> |
| 13 | General Fund—State Appropriation (FY 2019) | | ((\$454,876,000)) |
| 14 | | | <u>\$425,973,000</u> |
| 15 | TOTAL APPROPRIATION. | | ((\$904,684,000)) |
| 16 | | | <u>\$877,396,000</u> |

17 The appropriations in this section are subject to the following
18 conditions and limitations: For purposes of RCW 84.52.0531, the
19 increase per full-time equivalent student is 5.85 percent from the
20 2016-17 school year to the 2017-18 school year.

21 **Sec. 510.** 2017 3rd sp.s. c 1 s 510 (uncodified) is amended to
22 read as follows:

23 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL**
24 **EDUCATION PROGRAMS**

| | | | |
|----|--|-----------|-------------------------------|
| 25 | General Fund—State Appropriation (FY 2018) | | ((\$13,565,000)) |
| 26 | | | <u>\$13,895,000</u> |
| 27 | General Fund—State Appropriation (FY 2019) | | ((\$13,689,000)) |
| 28 | | | <u>\$14,096,000</u> |
| 29 | TOTAL APPROPRIATION. | | ((\$27,254,000)) |
| 30 | | | <u>\$27,991,000</u> |

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

33 (1) Each general fund—state fiscal year appropriation includes
34 such funds as are necessary to complete the school year ending in the
35 fiscal year and for prior fiscal year adjustments.

36 (2) State funding provided under this section is based on
37 salaries and other expenditures for a 220-day school year. The

1 superintendent of public instruction shall monitor school district
2 expenditure plans for institutional education programs to ensure that
3 districts plan for a full-time summer program.

4 (3) State funding for each institutional education program shall
5 be based on the institution's annual average full-time equivalent
6 student enrollment. Staffing ratios for each category of institution
7 shall remain the same as those funded in the 1995-97 biennium.

8 (4) The funded staffing ratios for education programs for
9 juveniles age 18 or less in department of corrections facilities
10 shall be the same as those provided in the 1997-99 biennium.

11 (5) \$701,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$701,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely to maintain at least one
14 certificated instructional staff and related support services at an
15 institution whenever the K-12 enrollment is not sufficient to support
16 one full-time equivalent certificated instructional staff to furnish
17 the educational program. The following types of institutions are
18 included: Residential programs under the department of social and
19 health services for developmentally disabled juveniles, programs for
20 juveniles under the department of corrections, programs for juveniles
21 under the juvenile rehabilitation administration, and programs for
22 juveniles operated by city and county jails.

23 (6) Ten percent of the funds allocated for each institution may
24 be carried over from one year to the next.

25 **Sec. 511.** 2017 3rd sp.s. c 1 s 511 (uncodified) is amended to
26 read as follows:

27 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PROGRAMS FOR HIGHLY**
28 **CAPABLE STUDENTS**

| | | | |
|----|--|-----------|-------------------------------|
| 29 | General Fund—State Appropriation (FY 2018) | | ((\$21,265,000)) |
| 30 | | | <u>\$21,447,000</u> |
| 31 | General Fund—State Appropriation (FY 2019) | | ((\$24,306,000)) |
| 32 | | | <u>\$24,226,000</u> |
| 33 | TOTAL APPROPRIATION. | | ((\$45,571,000)) |
| 34 | | | <u>\$45,673,000</u> |

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

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

4 (2) For the 2017-18 and 2018-19 school years, the superintendent
5 shall allocate funding to school district programs for highly capable
6 students as provided in RCW 28A.150.260(10)(c) except that
7 allocations must be based on 5.0 percent of each school district's
8 full-time equivalent enrollment. In calculating the allocations, the
9 superintendent shall assume the following: (i) Additional instruction
10 of 2.1590 hours per week per funded highly capable program student;
11 (ii) fifteen highly capable program students per teacher; (iii) 36
12 instructional weeks per year; (iv) 900 instructional hours per
13 teacher; and (v) the compensation rates as provided in sections 503
14 and 504 of this act.

15 (b) From July 1, 2017, to August 31, 2017, the superintendent
16 shall allocate funding to school districts programs for highly
17 capable students as provided in section 511, chapter 4, Laws of 2015
18 3rd sp. sess., as amended.

19 (3) \$85,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$85,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for the centrum program at Fort
22 Worden state park.

23 **Sec. 512.** 2017 3rd sp.s. c 1 s 512 (uncodified) is amended to
24 read as follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR MISCELLANEOUS—EVERY**
26 **STUDENT SUCCEEDS ACT**

27 General Fund—Federal Appropriation ((~~\$4,802,000~~))
28 \$5,802,000

29 **Sec. 513.** 2017 3rd sp.s. c 1 s 513 (uncodified) is amended to
30 read as follows:

31 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—EDUCATION REFORM**
32 **PROGRAMS**

33 General Fund—State Appropriation (FY 2018) ((~~\$134,741,000~~))
34 \$134,384,000

35 General Fund—State Appropriation (FY 2019) ((~~\$155,464,000~~))
36 \$154,111,000

37 General Fund—Federal Appropriation ((~~\$93,320,000~~))

| | | |
|---|--|----------------------|
| 1 | | \$94,811,000 |
| 2 | General Fund—Private/Local Appropriation | (((\$1,451,000)) |
| 3 | | <u>\$1,450,000</u> |
| 4 | Education Legacy Trust Account—State Appropriation | (((\$1,619,000)) |
| 5 | | <u>\$1,618,000</u> |
| 6 | <u>Pension Funding Stabilization Account—State</u> | |
| 7 | <u>Appropriation.</u> | <u>\$765,000</u> |
| 8 | TOTAL APPROPRIATION. | (((\$386,595,000)) |
| 9 | | <u>\$387,139,000</u> |

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

12 (1)(a) \$30,421,000 of the general fund—state appropriation for
13 fiscal year 2018, \$26,975,000 of the general fund—state appropriation
14 for fiscal year 2019, \$1,350,000 of the education legacy trust
15 account—state appropriation, and \$15,868,000 of the general fund—
16 federal appropriation are provided solely for development and
17 implementation of the Washington state assessment system.

18 (b)(i) The office of the superintendent of public instruction
19 issued a final fiscal note on July 13, 2017, detailing an estimated
20 savings of \$12.7 million in the 2017-2019 biennium and \$15.2 million
21 in the 2019-2021 biennium from the passage of Engrossed Substitute
22 House Bill No. 2224.

23 (ii) By November 1, 2018, the superintendent must review the
24 fiscal note and report to the legislature on which actions detailed
25 in the fiscal note were taken by the superintendent to achieve the
26 savings estimated and the actual savings achieved. For those actions
27 provided in the fiscal note that were not taken and for which no
28 savings were achieved, the superintendent must explain why those
29 actions were not taken.

30 (iii) By November 1, 2018, the superintendent must submit a
31 detailed plan on how the superintendent will achieve all of the
32 savings estimated in the fiscal note for the 2019-2021 biennium.

33 (2) \$356,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$356,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely for the Washington state
36 leadership and assistance for science education reform (LASER)
37 regional partnership activities (~~coordinated at the Pacific science~~
38 ~~center~~)), including instructional material purchases, teacher and

1 principal professional development, and school and community
2 engagement events.

3 (3) \$3,935,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$3,935,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for implementation of a new
6 performance-based evaluation for certificated educators and other
7 activities as provided in chapter 235, Laws of 2010 (education
8 reform) and chapter 35, Laws of 2012 (certificated employee
9 evaluations).

10 (4) (~~(\$62,672,000)~~) \$62,674,000 of the general fund—state
11 appropriation for fiscal year 2018 and (~~(\$82,665,000)~~) \$82,778,000 of
12 the general fund—state appropriation for fiscal year 2019 are
13 provided solely for the following bonuses for teachers who hold
14 valid, unexpired certification from the national board for
15 professional teaching standards and who are teaching in a Washington
16 public school, subject to the following conditions and limitations:

17 (a) For national board certified teachers, a bonus of \$5,296 per
18 teacher in the 2017-18 school year and a bonus of (~~(\$5,381)~~) \$5,397
19 per teacher in the 2018-19 school year;

20 (b) An additional \$5,000 annual bonus shall be paid to national
21 board certified teachers who teach in either: (A) High schools where
22 at least 50 percent of student headcount enrollment is eligible for
23 federal free or reduced-price lunch, (B) middle schools where at
24 least 60 percent of student headcount enrollment is eligible for
25 federal free or reduced-price lunch, or (C) elementary schools where
26 at least 70 percent of student headcount enrollment is eligible for
27 federal free or reduced-price lunch;

28 (c) The superintendent of public instruction shall adopt rules to
29 ensure that national board certified teachers meet the qualifications
30 for bonuses under (b) of this subsection for less than one full
31 school year receive bonuses in a prorated manner. All bonuses in this
32 subsection will be paid in July of each school year. Bonuses in this
33 subsection shall be reduced by a factor of 40 percent for first year
34 NBPTS certified teachers, to reflect the portion of the instructional
35 school year they are certified; and

36 (d) During the 2017-18 and 2018-19 school years, and within
37 available funds, certificated instructional staff who have met the
38 eligibility requirements and have applied for certification from the
39 national board for professional teaching standards may receive a

1 conditional loan of two thousand dollars or the amount set by the
2 office of the superintendent of public instruction to contribute
3 toward the current assessment fee, not including the initial up-front
4 candidacy payment. The fee shall be an advance on the first annual
5 bonus under RCW 28A.405.415. The conditional loan is provided in
6 addition to compensation received under a district's salary
7 allocation and shall not be included in calculations of a district's
8 average salary and associated salary limitation under RCW
9 28A.400.200. Recipients who fail to receive certification after three
10 years are required to repay the conditional loan. The office of the
11 superintendent of public instruction shall adopt rules to define the
12 terms for initial grant of the assessment fee and repayment,
13 including applicable fees. To the extent necessary, the
14 superintendent may use revenues from the repayment of conditional
15 loan scholarships to ensure payment of all national board bonus
16 payments required by this section in each school year.

17 (5) \$477,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$477,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for the leadership internship
20 program for superintendents, principals, and program administrators.

21 (6) \$950,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$950,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for the Washington reading
24 corps. The superintendent shall allocate reading corps members to
25 schools identified for comprehensive or targeted support and school
26 districts that are implementing comprehensive, proven, research-based
27 reading programs. Two or more schools may combine their Washington
28 reading corps programs.

29 (7) \$810,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$810,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for the development of a
32 leadership academy for school principals and administrators. The
33 superintendent of public instruction shall contract with an
34 independent organization to operate a state-of-the-art education
35 leadership academy that will be accessible throughout the state.
36 Semiannually the independent organization shall report on amounts
37 committed by foundations and others to support the development and
38 implementation of this program. Leadership academy partners shall
39 include the state level organizations for school administrators and

1 principals, the superintendent of public instruction, the
2 professional educator standards board, and others as the independent
3 organization shall identify.

4 (8) \$3,000,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$3,000,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for a statewide information
7 technology (IT) academy program. This public-private partnership will
8 provide educational software, as well as IT certification and
9 software training opportunities for students and staff in public
10 schools.

11 (9) \$1,802,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$1,802,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for secondary career and
14 technical education grants pursuant to chapter 170, Laws of 2008,
15 including parts of programs receiving grants that serve students in
16 grades four through six. If equally matched by private donations,
17 \$825,000 of the 2018 appropriation and \$825,000 of the 2019
18 appropriation shall be used to support FIRST robotics programs in
19 grades four through twelve. Of the amounts in this subsection,
20 \$100,000 of the fiscal year 2018 appropriation and \$100,000 of the
21 fiscal year 2019 appropriation are provided solely for the purpose of
22 statewide supervision activities for career and technical education
23 student leadership organizations.

24 (10) \$125,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$125,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for (a) staff at the office of
27 the superintendent of public instruction to coordinate and promote
28 efforts to develop integrated math, science, technology, and
29 engineering programs in schools and districts across the state; and
30 (b) grants of \$2,500 to provide twenty middle and high school
31 teachers each year with professional development training for
32 implementing integrated math, science, technology, and engineering
33 programs in their schools.

34 (11) \$135,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$135,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for science, technology,
37 engineering and mathematics lighthouse projects, consistent with
38 chapter 238, Laws of 2010.

1 (12) \$10,500,000 of the general fund—state appropriation for
2 fiscal year 2018 and \$10,500,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for a
4 beginning educator support program. The program shall prioritize
5 first year teachers in the mentoring program. School districts and/or
6 regional consortia may apply for grant funding. The program provided
7 by a district and/or regional consortia shall include: A paid
8 orientation; assignment of a qualified mentor; development of a
9 professional growth plan for each beginning teacher aligned with
10 professional certification; release time for mentors and new teachers
11 to work together; and teacher observation time with accomplished
12 peers. Funding may be used to provide statewide professional
13 development opportunities for mentors and beginning educators.

14 (13) \$250,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$250,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for advanced project lead the
17 way courses at ten high schools. To be eligible for funding in 2018,
18 a high school must have offered a foundational project lead the way
19 course during the 2016-17 school year. The 2018 funding must be used
20 for one-time start-up course costs for an advanced project lead the
21 way course, to be offered to students beginning in the 2017-18 school
22 year. To be eligible for funding in 2019, a high school must have
23 offered a foundational project lead the way course during the 2017-18
24 school year. The 2018 funding must be used for one-time start-up
25 course costs for an advanced project lead the way course, to be
26 offered to students beginning in the 2018-19 school year. The office
27 of the superintendent of public instruction and the education
28 research and data center at the office of financial management shall
29 track student participation and long-term outcome data.

30 (14) \$9,352,000 of the general fund—state appropriation for
31 fiscal year 2018 and \$14,352,000 of the general fund—state
32 appropriation for fiscal year 2019 are provided solely for
33 implementation of chapter 159, Laws of 2013. By January 15, 2018, the
34 superintendent of public instruction shall submit a plan to the
35 fiscal committees of the legislature outlining the additional school
36 accountability supports that will be implemented as a result of the
37 increased appropriation provided in fiscal year 2019. Of the amount
38 provided in this subsection, \$5,000,000 of the general fund—state
39 appropriation for fiscal year 2019 is provided solely for expenditure

1 contingent upon legislative approval of the superintendent's plan for
2 additional school accountability supports, and the superintendent may
3 not spend that amount until approval is received.

4 (15) \$450,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$450,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for annual start-up, expansion,
7 or maintenance of existing programs in aerospace and advanced
8 manufacturing programs. To be eligible for funding, the skills center
9 and high schools must agree to engage in developing local business
10 and industry partnerships for oversight and input regarding program
11 components. Program instructors must also agree to participate in
12 professional development leading to student employment, or
13 certification in aerospace or advanced manufacturing industries as
14 determined by the superintendent of public instruction. The office of
15 the superintendent of public instruction and the education research
16 and data center shall report annually student participation and long-
17 term outcome data.

18 (16) \$5,000,000 of the general fund—state appropriation for
19 fiscal year 2018 and \$4,000,000 of the general fund—state
20 appropriation for fiscal year 2019 are provided solely for the
21 provision of training for teachers, principals, and principal
22 evaluators in the performance-based teacher principal evaluation
23 program.

24 (17) (~~(\$100,000)~~) \$125,000 of the general fund—state
25 appropriation for fiscal year 2018 and (~~(\$100,000)~~) \$125,000 of the
26 general fund—state appropriation for fiscal year 2019 are provided
27 solely to promote the financial literacy of students. The effort will
28 be coordinated through the financial literacy public-private
29 partnership.

30 (18) \$2,194,000 of the general fund—state appropriation for
31 fiscal year 2018 and (~~(\$2,194,000)~~) \$909,000 of the general fund—
32 state appropriation for fiscal year 2019 are provided solely to
33 implement chapter 18, Laws of 2013 2nd sp. sess. (Engrossed
34 Substitute Senate Bill No. 5946) (strengthening student educational
35 outcomes).

36 (19) \$36,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$36,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for chapter 212, Laws of 2014

1 (Substitute Senate Bill No. 6074) (homeless student educational
2 outcomes).

3 (20) \$80,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$40,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for chapter 219, Laws of 2014
6 (Second Substitute Senate Bill No. 6163) (expanded learning).

7 (21) \$10,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$10,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for chapter 102, Laws of 2014
10 (Senate Bill No. 6424) (biliteracy seal).

11 (22) \$500,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$500,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for the office of the
14 superintendent of public instruction to contract with a nonprofit
15 organization to integrate the state learning standards in English
16 language arts, mathematics, and science with FieldSTEM outdoor field
17 studies and project-based and work-based learning opportunities
18 aligned with the environmental, natural resource, and agricultural
19 sectors.

20 (23) Within the amounts provided in this section, the
21 superintendent of public instruction shall obtain an existing student
22 assessment inventory tool that is free and openly licensed and
23 distribute the tool to every school district. Each school district
24 shall use the student assessment inventory tool to identify all
25 state-level and district-level assessments that are required of
26 students. The state-required assessments should include: Reading
27 proficiency assessments used for compliance with RCW 28A.320.202; the
28 required statewide assessments under chapter 28A.655 RCW in grades
29 three through eight and at the high school level in English language
30 arts, mathematics, and science, as well as the practice and training
31 tests used to prepare for them; and the high school end-of-course
32 exams in mathematics under RCW 28A.655.066. District-required
33 assessments should include: The second grade reading assessment used
34 to comply with RCW 28A.300.320; interim smarter balanced assessments,
35 if required; the measures of academic progress assessment, if
36 required; and other required interim, benchmark, or summative
37 standardized assessments, including assessments used in social
38 studies, the arts, health, and physical education in accordance with
39 RCW 28A.230.095, and for educational technology in accordance with

1 RCW 28A.655.075. The assessments identified should not include
2 assessments used to determine eligibility for any categorical program
3 including the transitional bilingual instruction program, learning
4 assistance program, highly capable program, special education
5 program, or any formative or diagnostic assessments used solely to
6 inform teacher instructional practices, other than those already
7 identified. By October 15th of each year, each district shall report
8 to the superintendent the amount of student time in the previous
9 school year that is spent taking each assessment identified. By
10 December 15th of each even numbered calendar year, the superintendent
11 shall summarize the information reported by the school districts and
12 report to the education committees of the house of representatives
13 and the senate.

14 (24) \$125,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$125,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for contracts with nonprofit
17 organizations that provide direct services to children exclusively
18 through one-to-one volunteer mentoring. The mentor, student, and
19 parent must each receive monthly coaching from professional staff in
20 the first year and coaching every two months in subsequent years.

21 (25) \$200,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for grants to implement a program that
23 provides hands-on education in financial literacy, work readiness,
24 and entrepreneurship.

25 (26) Sufficient amounts are appropriated in this section for the
26 office of the superintendent of public instruction to create a
27 process and provide assistance to school districts in planning for
28 future implementation of the summer knowledge improvement program
29 grants.

30 **Sec. 514.** 2017 3rd sp.s. c 1 s 514 (uncodified) is amended to
31 read as follows:

32 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL**
33 **BILINGUAL PROGRAMS**

| | | | |
|----|--|-----------|--------------------------------|
| 34 | General Fund—State Appropriation (FY 2018) | | ((\$147,948,000)) |
| 35 | | | \$151,517,000 |
| 36 | General Fund—State Appropriation (FY 2019) | | ((\$157,744,000)) |
| 37 | | | \$158,812,000 |
| 38 | General Fund—Federal Appropriation | | ((\$92,244,000)) |

| | |
|---|---|
| 1 | <u>\$97,244,000</u> |
| 2 | <u>Pension Funding Stabilization Account—State Appropriation. . . \$4,000</u> |
| 3 | TOTAL APPROPRIATION. ((\$397,936,000)) |
| 4 | <u>\$407,577,000</u> |

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

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

10 (2)(a) For the 2017-18 and 2018-19 school years, the
11 superintendent shall allocate funding to school districts for
12 transitional bilingual programs under RCW 28A.180.010 through
13 28A.180.080, including programs for exited students, as provided in
14 RCW 28A.150.260(10)(b) and the provisions of this section. In
15 calculating the allocations, the superintendent shall assume the
16 following averages: (i) Additional instruction of 4.7780 hours per
17 week per transitional bilingual program student in grades
18 kindergarten through six and 6.7780 hours per week per transitional
19 bilingual program student in grades seven through twelve in school
20 years 2017-18 and 2018-19; (ii) additional instruction of 3.0000
21 hours per week in school years 2017-18 and 2018-19 for the head count
22 number of students who have exited the transitional bilingual
23 instruction program within the previous two years based on their
24 performance on the English proficiency assessment; (iii) fifteen
25 transitional bilingual program students per teacher; (iv) 36
26 instructional weeks per year; (v) 900 instructional hours per
27 teacher; and (vi) the compensation rates as provided in sections 503
28 and 504 of this act. Pursuant to RCW 28A.180.040(1)(g), the
29 instructional hours specified in (a)(ii) of this subsection (2) are
30 within the program of basic education.

31 (b) From July 1, 2017, to August 31, 2017, the superintendent
32 shall allocate funding to school districts for transitional bilingual
33 instruction programs as provided in section 514, chapter 4, Laws of
34 2015, 3rd sp. sess., as amended.

35 (3) The superintendent may withhold allocations to school
36 districts in subsection (2) of this section solely for the central
37 provision of assessments as provided in RCW 28A.180.090 (1) and (2)
38 up to the following amounts: ((~~2.55~~)) 2.50 percent for school year
39 2017-18 and 2.57 percent for school year 2018-19.

1 (4) The general fund—federal appropriation in this section is for
2 migrant education under Title I Part C and English language
3 acquisition, and language enhancement grants under Title III of the
4 elementary and secondary education act.

5 (5) \$35,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$35,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely to track current and former
8 transitional bilingual program students.

9 (6) \$495,000 of the general fund—state appropriation in fiscal
10 year 2018 and \$198,000 of the general fund—state appropriation in
11 fiscal year 2019 are provided solely for the central provision of
12 assessments as provided in RCW 28A.180.090, and is in addition to the
13 withholding amounts specified in subsection (3) of this section.

14 **Sec. 515.** 2017 3rd sp.s. c 1 s 515 (uncodified) is amended to
15 read as follows:

16 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING**
17 **ASSISTANCE PROGRAM**

| | | | |
|----|--|-----------|----------------------------------|
| 18 | General Fund—State Appropriation (FY 2018) | | ((\$326,233,000)) |
| 19 | | | <u>\$323,386,000</u> |
| 20 | General Fund—State Appropriation (FY 2019) | | ((\$355,633,000)) |
| 21 | | | <u>\$348,202,000</u> |
| 22 | General Fund—Federal Appropriation | | ((\$505,487,000)) |
| 23 | | | <u>\$519,487,000</u> |
| 24 | TOTAL APPROPRIATION. | | ((\$1,187,353,000)) |
| 25 | | | <u>\$1,191,075,000</u> |

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

28 (1) The general fund—state appropriations in this section are
29 subject to the following conditions and limitations:

30 (a) The appropriations include such funds as are necessary to
31 complete the school year ending in the fiscal year and for prior
32 fiscal year adjustments.

33 (b)(i) For the 2017-18 and 2018-19 school years, the
34 superintendent shall allocate funding to school districts for
35 learning assistance programs as provided in RCW 28A.150.260(10)(a),
36 except that the allocation for the additional instructional hours
37 shall be enhanced as provided in this section, which enhancements are
38 within the program of the basic education. In calculating the

1 allocations, the superintendent shall assume the following averages:
2 (A) Additional instruction of 2.3975 hours per week per funded
3 learning assistance program student for the 2017-18 and 2018-19
4 school years; (B) additional instruction of 1.1 hours per week per
5 funded learning assistance program student for the 2017-18 and
6 2018-19 school years in qualifying high-poverty school building; (C)
7 fifteen learning assistance program students per teacher; (D) 36
8 instructional weeks per year; (E) 900 instructional hours per
9 teacher; and (F) the compensation rates as provided in sections 503
10 and 504 of this act.

11 (ii) From July 1, 2017, to August 31, 2017, the superintendent
12 shall allocate funding to school districts for learning assistance
13 programs as provided in section 515, chapter 4, Laws of 2015, 3rd sp.
14 sess., as amended.

15 (c) A school district's funded students for the learning
16 assistance program shall be the sum of the district's full-time
17 equivalent enrollment in grades K-12 for the prior school year
18 multiplied by the district's percentage of October headcount
19 enrollment in grades K-12 eligible for free or reduced-price lunch in
20 the prior school year. The prior school year's October headcount
21 enrollment for free and reduced-price lunch shall be as reported in
22 the comprehensive education data and research system.

23 (2) Allocations made pursuant to subsection (1) of this section
24 shall be adjusted to reflect ineligible applications identified
25 through the annual income verification process required by the
26 national school lunch program, as recommended in the report of the
27 state auditor on the learning assistance program dated February,
28 2010.

29 (3) The general fund—federal appropriation in this section is
30 provided for Title I Part A allocations of the every student succeeds
31 act of 2016.

32 (4) A school district may carry over from one year to the next up
33 to 10 percent of the general fund—state funds allocated under this
34 program; however, carryover funds shall be expended for the learning
35 assistance program.

36 (5) Within existing resources, during the 2017-18 and 2018-19
37 school years, school districts are authorized to use funds allocated
38 for the learning assistance program to also provide assistance to
39 high school students who have not passed the state assessment in
40 science.

1 **Sec. 516.** 2017 3rd sp.s. c 1 s 516 (uncodified) is amended to
2 read as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—PER PUPIL ALLOCATIONS**

| | Statewide Average Allocations | |
|---|---|---------------------------------------|
| | Per Annual Average Full-Time Equivalent Student | |
| | 2017-18 | 2018-19 |
| | School Year | School Year |
| 6 Basic Education Program | | |
| 7 | | |
| 8 General Apportionment | ((<u>\$7,038</u>)) <u>\$7,063</u> | ((<u>\$8,037</u>)) <u>\$8,736</u> |
| 9 Pupil Transportation | ((<u>\$422</u>)) <u>\$429</u> | ((<u>\$485</u>)) <u>\$531</u> |
| 10 Special Education Programs | ((<u>\$6,920</u>)) <u>\$6,897</u> | ((<u>\$7,875</u>)) <u>\$8,749</u> |
| 11 Institutional Education Programs | ((<u>\$13,476</u>)) <u>\$14,401</u> | ((<u>\$15,369</u>)) <u>\$17,811</u> |
| 12 Programs for Highly Capable Students | ((<u>\$455</u>)) <u>\$457</u> | ((<u>\$525</u>)) <u>\$569</u> |
| 13 Transitional Bilingual Programs | ((<u>\$1,024</u>)) <u>\$1,031</u> | ((<u>\$1,163</u>)) <u>\$1,250</u> |
| 14 Learning Assistance Program | ((<u>\$735</u>)) <u>\$738</u> | ((<u>\$849</u>)) <u>\$920</u> |

15 **Sec. 517.** 2017 3rd sp.s. c 1 s 518 (uncodified) is amended to
16 read as follows:

17 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

18 (1) Amounts distributed to districts by the superintendent
19 through part V of this act are for allocations purposes only, unless
20 specified by part V of this act, and do not entitle a particular
21 district, district employee, or student to a specific service, beyond
22 what has been expressly provided in statute. Part V of this act
23 restates the requirements of various sections of Title 28A RCW. If
24 any conflict exists, the provisions of Title 28A RCW control unless
25 this act explicitly states that it is providing an enhancement. Any
26 amounts provided in part V of this act in excess of the amounts
27 required by Title 28A RCW provided in statute, are not within the
28 program of basic education unless clearly stated by this act.

29 (2) To the maximum extent practicable, when adopting new or
30 revised rules or policies relating to the administration of
31 allocations in part V of this act that result in fiscal impact, the
32 office of the superintendent of public instruction shall attempt to
33 seek legislative approval through the budget request process.

34 (3) Appropriations made in this act to the office of the
35 superintendent of public instruction shall initially be allotted as
36 required by this act. Subsequent allotment modifications shall not

1 include transfers of moneys between sections of this act except as
2 expressly provided in subsection (4) of this section.

3 (4) The appropriations to the office of the superintendent of
4 public instruction in this act shall be expended for the programs and
5 amounts specified in this act. However, after May 1, 2018, unless
6 specifically prohibited by this act and after approval by the
7 director of financial management, the superintendent of public
8 instruction may transfer state general fund appropriations for fiscal
9 year 2018 among the following programs to meet the apportionment
10 schedule for a specified formula in another of these programs:
11 General apportionment, employee compensation adjustments, pupil
12 transportation, special education programs, institutional education
13 programs, transitional bilingual programs, highly capable, and
14 learning assistance programs.

15 (5) The director of financial management shall notify the
16 appropriate legislative fiscal committees in writing prior to
17 approving any allotment modifications or transfers under this
18 section.

19 (6) As required by RCW 28A.710.110, the office of the
20 superintendent of public instruction shall transmit the charter
21 school authorizer oversight fee for the charter school commission to
22 the charter school oversight account.

23 **Sec. 518.** 2017 3rd sp.s. c 1 s 519 (uncodified) is amended to
24 read as follows:

25 **FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR**
26 **CHARTER SCHOOLS**

27 Washington Opportunity Pathways Account—State

28 Appropriation. ((~~\$62,713,000~~))
29 \$55,569,000

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

32 (1) The superintendent shall distribute funding appropriated in
33 this section to charter schools under chapter 28A.710 RCW. Within
34 amounts provided in this section the superintendent may distribute
35 funding for safety net awards for charter schools with demonstrated
36 needs for special education funding beyond the amounts provided under
37 chapter 28A.710 RCW.

1 (2) \$2,378,000 of the Washington opportunity pathways account—
 2 state appropriation is provided solely for allocation to school
 3 districts to increase compensation related to increasing school
 4 employee salary allocations, changing the special education excess
 5 cost multiplier as provided in RCW 28A.150.390(2)(b), regionalization
 6 factors as provided in RCW 28A.150.412(2)(b), and the professional
 7 learning day delay, each as amended by Engrossed Second Substitute
 8 Senate Bill No. 6362 (basic education).

9 **Sec. 519.** 2017 3rd sp.s. c 1 s 520 (uncodified) is amended to
 10 read as follows:

11 **FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE**
 12 **WASHINGTON STATE CHARTER SCHOOL COMMISSION**

13 Washington Opportunity Pathways Account—State

| | |
|--|--------------------|
| 14 Appropriation | ((\$477,000)) |
| 15 | <u>\$862,000</u> |
| 16 Charter Schools Oversight Account—State | |
| 17 Appropriation | ((\$1,958,000)) |
| 18 | <u>\$1,572,000</u> |
| 19 TOTAL APPROPRIATION. | ((\$2,435,000)) |
| 20 | <u>\$2,434,000</u> |

21 The appropriations in this section are subject to the following
 22 conditions and limitations: The entire Washington opportunity
 23 pathways account—state appropriation in this section is provided to
 24 the superintendent of public instruction solely for the operations of
 25 the Washington state charter school commission under chapter 28A.710
 26 RCW.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2017 3rd sp.s. c 1 s 605 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

| | |
|--|------------------------------------|
| General Fund—State Appropriation (FY 2018) | (((\$662,672,000))) |
| | <u>\$629,169,000</u> |
| General Fund—State Appropriation (FY 2019) | (((\$668,368,000))) |
| | <u>\$637,311,000</u> |
| Community/Technical College Capital Projects | |
| Account—State Appropriation. | (((\$23,841,000))) |
| | <u>\$21,618,000</u> |
| Education Legacy Trust Account—State Appropriation | (((\$138,314,000))) |
| | <u>\$134,501,000</u> |
| <u>Pension Funding Stabilization Account—State</u> | |
| <u>Appropriation.</u> | <u>\$67,897,000</u> |
| TOTAL APPROPRIATION. | (((\$1,493,195,000))) |
| | <u>\$1,490,496,000</u> |

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

(1) \$33,261,000 of the general fund—state appropriation for fiscal year 2018 and \$33,261,000 of the general fund—state appropriation for fiscal year 2019 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 7,170 full-time equivalent students in fiscal year 2018 and at least 7,170 full-time equivalent students in fiscal year 2019.

(2) \$5,450,000 of the education legacy trust account—state appropriation is provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) \$425,000 of the general fund—state appropriation for fiscal year 2018 and \$425,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for Seattle central college's
2 expansion of allied health programs.

3 (4) \$5,250,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$5,250,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for the student achievement
6 initiative.

7 (5) \$1,610,000 of the general fund—state appropriation for fiscal
8 year 2018, and \$1,610,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for the expansion of the
10 mathematics, engineering, and science achievement program. The state
11 board shall report back to the appropriate committees of the
12 legislature on the number of campuses and students served by December
13 31, 2018.

14 (6) \$1,500,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$1,500,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for implementation of guided
17 pathways or similar programs designed to improve student success,
18 including, but not limited to, academic program redesign, student
19 advising, and other student supports.

20 (7) \$1,500,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$1,500,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for operating a fabrication
23 composite wing incumbent worker training program to be housed at the
24 Washington aerospace training and research center.

25 (8) \$100,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$100,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the aerospace center of
28 excellence currently hosted by Everett community college to:

29 (a) Increase statewide communications and outreach between
30 industry sectors, industry organizations, businesses, K-12 schools,
31 colleges, and universities;

32 (b) Enhance information technology to increase business and
33 student accessibility and use of the center's web site; and

34 (c) Act as the information entry point for prospective students
35 and job seekers regarding education, training, and employment in the
36 industry.

37 (9) (~~(\$18,588,000)~~) \$18,697,000 of the general fund—state
38 appropriation for fiscal year 2018 and (~~(\$18,960,000)~~) \$19,164,000 of
39 the general fund—state appropriation for fiscal year 2019 are

1 provided solely for the implementation of the college affordability
2 program as set forth in RCW 28B.15.066.

3 (10) Community and technical colleges are not required to send
4 mass mailings of course catalogs to residents of their districts.
5 Community and technical colleges shall consider lower cost
6 alternatives, such as mailing postcards or brochures that direct
7 individuals to online information and other ways of acquiring print
8 catalogs.

9 (11) The state board for community and technical colleges shall
10 not use funds appropriated in this section to support intercollegiate
11 athletics programs.

12 (12) \$157,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$157,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for the Wenatchee Valley college
15 wildfire prevention program.

16 (13) \$100,000 of the general fund—state appropriation for fiscal
17 year 2018 is provided solely for implementation of chapter 154, Laws
18 of 2017 (SSB 5022) (education loan information).

19 (14) \$185,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$185,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for implementation of chapter
22 177, Laws of 2017 (SSB 5100) (financial literacy seminars).

23 (15) \$41,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$42,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for implementation of chapter
26 98, Laws of 2017 (E2SHB 1375) (ctc course material costs).

27 (16) \$158,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$5,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for implementation of chapter
30 237, Laws of 2017 (ESHB 1115) (paraeducators).

31 (17) \$150,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$150,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for program delivery through
34 Green River College to the Covington area and southeast King county
35 in response to the education needs assessment conducted by the
36 student achievement council in the 2015-2017 fiscal biennium.

37 (18) \$60,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$60,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for a youth development program

1 operated by Everett community college in conjunction with a county
2 chapter of a national civil rights organization.

3 (19) \$750,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$750,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for increased enrollments in the
6 integrated basic education and skills training program. Funding will
7 support approximately 120 additional full-time equivalent enrollments
8 annually.

9 (20)(a) The state board must provide quality assurance reports on
10 the ctcLink project at the frequency directed by the office of chief
11 information officer for review and for posting on its information
12 technology project dashboard.

13 (b) The state board must develop a technology budget using a
14 method similar to the state capital budget, identifying project
15 costs, funding sources, and anticipated deliverables through each
16 stage of the investment and across fiscal periods and biennia from
17 project initiation to implementation. The budget must be updated at
18 the frequency directed by the office of chief information officer for
19 review and for posting on its information technology project
20 dashboard.

21 (c) The office of the chief information officer may suspend the
22 ctcLink project at any time if the office of the chief information
23 officer determines that the project is not meeting or is not expected
24 to meet anticipated performance measures, implementation timelines,
25 or budget estimates. Once suspension or termination occurs, the state
26 board shall not make additional expenditures on the ctcLink project
27 without approval of the chief information officer. The ctcLink
28 project funded through the community and technical college innovation
29 account created in RCW 28B.50.515 is subject to the conditions,
30 limitations, and review provided in section 724 of this act.

31 (21) \$150,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$150,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for the aerospace center of
34 excellence hosted by Everett Community College to develop an unmanned
35 aircraft system program in Sunnyside.

36 (22) \$216,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the opportunity center for
38 employment and education at north Seattle college.

1 (23) \$381,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for implementation of Engrossed Second
3 Substitute House Bill No. 2009 (gold star families/higher education).
4 If the bill is not enacted by June 30, 2018, the amount provided in
5 this subsection shall lapse.

6 (24) \$500,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for Highline college to implement the
8 Federal Way higher education initiative in partnership with the city
9 of Federal Way and the University of Washington Tacoma campus.

10 (25)(a) \$150,000 of the general fund—state appropriation for
11 fiscal year 2019 is provided solely for the board to contract with an
12 independent professional consulting service to:

13 (i) Collect academic, classified, and professional employee total
14 compensation data, source of funding, and the duties or categories
15 for which that compensation is paid;

16 (ii) Identify comparable market rate salaries;

17 (iii) Incorporate, as appropriate, data from the office of
18 financial management from the compensation studies conducted pursuant
19 to the 2017-2019 memorandum of understanding between the state of
20 Washington community college coalition and the Washington federation
21 of state employees re: regional compensation issues; and

22 (iv) Provide analysis regarding whether a local labor market
23 adjustment formula should be implemented, and if so which market
24 adjustment factors and methods should be used.

25 (b) The board must collect, and college districts must provide,
26 the compensation, recruitment, and retention data necessary to
27 accomplish the work required in this subsection.

28 (c) The consultant shall provide an interim report to the board
29 by August 15, 2018. The consultant shall provide the final data and
30 analysis to the board by October 1, 2018.

31 (26) \$87,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$350,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for Peninsula college to expand
34 the annual cohorts of the specified programs as follows:

35 (a) Medical assisting, from 20 to 40 students;

36 (b) Nursing assistant, from 40 to 60 students; and

37 (c) Registered nursing, from 24 to 32 students.

1 (27) \$338,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the Washington state labor education
3 and research center at South Seattle College.

4 (28) \$150,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$150,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for the state board to continue
7 the feasibility study for a potential new community and technical
8 college in the Graham, Washington area that was first authorized by
9 section 605, chapter 4, Laws of 2015 3rd sp. sess. The feasibility
10 study shall be accomplished by continuing to expand enrollment and
11 classes at the Graham-Kapowsin high school and gathering data, such
12 as enrollment numbers, future class interest, and student profile
13 data, from students who participate. The feasibility study shall
14 specifically address the intent of pursuing the establishment of a
15 community college in the Graham, Washington area and the state board
16 of community and technical colleges shall report to the legislature
17 the findings of the feasibility study by June 30, 2019.

18 (29) \$42,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for implementation of Senate Bill No.
20 5028 (Native American curriculum). If the bill is not enacted by June
21 30, 2018, the amount provided in this subsection shall lapse.

22 (30) \$300,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely for Cascadia community college to
24 convene a task force with the University of Washington-Bothell and
25 the representatives from the Canyon Park biomedical industry cluster
26 to (a) identify workforce development needs of the area's biomedical
27 cluster and (b) engage in the city of Bothell's master planning
28 process to ensure that the retention and expansion of this industry
29 cluster and its workforce are adequately represented in the process.

30 (31) \$50,000 of the general fund—state appropriation for fiscal
31 year 2019 is provided solely for the state board to identify at least
32 two high school equivalency tests that are at least as rigorous as
33 the 2013 general educational test in that sixty percent of high
34 school seniors can pass the test. At least one of the two test
35 options must not require computer proficiency and at least one of the
36 test options must be low cost to the student. At least one of the
37 test options must be fairly normed to the actual academic ability of
38 current high school seniors such that at least sixty percent of high
39 school seniors can pass the high school equivalency test. The state

1 board must identify at least one test option that is appropriate for
2 students who have been in the workforce, need a high school diploma
3 for employment reasons, have been incarcerated, or were in the
4 military. The state board must communicate the availability of the
5 two test options to public and private test administrators. The state
6 board must report to the legislature and the public the number of
7 students who have received a high school equivalency certificate
8 during the prior month of each year by posting this information on a
9 public page on its web site. The board must also post on a public
10 page on its web site a norming study for every high school
11 equivalency test confirming that the test is within the actual
12 academic ability of recent high school seniors. The norming study
13 must be similar in scope and methods to the norming studies of the
14 2002 and 2007 GED tests.

15 **Sec. 602.** 2017 3rd sp.s. c 1 s 606 (uncodified) is amended to
16 read as follows:

17 **FOR THE UNIVERSITY OF WASHINGTON**

| | | | |
|----|---|-----------|--------------------------------|
| 18 | General Fund—State Appropriation (FY 2018) | | ((\$336,712,000)) |
| 19 | | | <u>\$310,920,000</u> |
| 20 | General Fund—State Appropriation (FY 2019) | | ((\$353,811,000)) |
| 21 | | | <u>\$325,781,000</u> |
| 22 | Aquatic Lands Enhancement Account—State Appropriation | | \$1,350,000 |
| 23 | UW Building Account—State Appropriation | | \$1,052,000 |
| 24 | Education Legacy Trust Account—State Appropriation | | ((\$30,050,000)) |
| 25 | | | <u>\$33,051,000</u> |
| 26 | Economic Development Strategic Reserve Account—State | | |
| 27 | Appropriation | | ((\$3,035,000)) |
| 28 | | | <u>\$3,034,000</u> |
| 29 | <u>Pension Funding Stabilization Account—State</u> | | |
| 30 | <u>Appropriation</u> | | <u>\$51,068,000</u> |
| 31 | Biotoxin Account—State Appropriation | | ((\$597,000)) |
| 32 | | | <u>\$596,000</u> |
| 33 | Dedicated Marijuana Account—State Appropriation | | |
| 34 | (FY 2018) | | \$247,000 |
| 35 | Dedicated Marijuana Account—State Appropriation | | |
| 36 | (FY 2019) | | \$247,000 |
| 37 | Accident Account—State Appropriation | | ((\$7,436,000)) |
| 38 | | | <u>\$7,425,000</u> |

| | | |
|---|---|--------------------------------|
| 1 | Medical Aid Account—State Appropriation | ((\$7,042,000)) |
| 2 | | <u>\$7,032,000</u> |
| 3 | <u>Geoduck Aquaculture Research Account—State</u> | |
| 4 | <u>Appropriation.</u> | \$200,000 |
| 5 | TOTAL APPROPRIATION. | ((\$741,579,000)) |
| 6 | | <u>\$742,003,000</u> |

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

9 (1) \$52,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$52,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for the center for international
12 trade in forest products in the college of forest resources.

13 (2) (~~(\$38,581,000)~~) \$38,807,000 of the general fund—state
14 appropriation for fiscal year 2018 and (~~(\$39,353,000)~~) \$39,777,000 of
15 the general fund—state appropriation for fiscal year 2019 are
16 provided solely for the implementation of the college affordability
17 program as set forth in RCW 28B.15.066.

18 (3) \$200,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$200,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for labor archives of
21 Washington. The university shall work in collaboration with the state
22 board for community and technical colleges.

23 (4) \$8,000,000 of the education legacy trust account—state
24 appropriation is provided solely for the family medicine residency
25 network at the university to expand the number of residency slots
26 available in Washington.

27 (5) The university must continue work with the education research
28 and data center to demonstrate progress in computer science and
29 engineering enrollments. By September 1st of each year, the
30 university shall provide a report including but not limited to the
31 cost per student, student completion rates, and the number of low-
32 income students enrolled in each program, any process changes or
33 best-practices implemented by the university, and how many students
34 are enrolled in computer science and engineering programs above the
35 prior academic year.

36 (6) \$1,350,000 of the aquatic lands enhancement account—state is
37 provided solely for ocean acidification monitoring, forecasting, and
38 research and for operation of the Washington ocean acidification
39 center. By September 1, 2017, the center must provide a biennial work

1 plan and begin quarterly progress reports to the Washington marine
2 resources advisory council created under RCW 43.06.338.

3 (7) (~~(\$8,000,000)~~) \$11,000,000 of the education legacy trust
4 account—state appropriation is provided solely for the expansion of
5 degrees in the department of computer science and engineering at the
6 Seattle campus.

7 (8) \$1,000,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$1,000,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for the university to increase
10 resident undergraduate enrollments in science, technology,
11 engineering, and math majors. The university is expected to increase
12 full-time equivalent enrollment by approximately 60 additional
13 students.

14 (9) \$3,000,000 of the economic development strategic reserve
15 account appropriation is provided solely to support the joint center
16 for aerospace innovation technology.

17 (10) The University of Washington shall not use funds
18 appropriated in this section to support intercollegiate athletics
19 programs.

20 (11) \$250,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$250,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for the Latino health center.

23 (12) \$200,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$200,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for the climate impacts group in
26 the college of the environment.

27 (13) \$8,400,000 of the general fund—state appropriation for
28 fiscal year 2018 and \$7,400,000 of the general fund—state
29 appropriation for fiscal year 2019 are provided solely for the
30 continued operations and expansion of the Washington, Wyoming,
31 Alaska, Montana, Idaho medical school program.

32 (14) (~~(\$3,200,000)~~) \$500,000 of the general fund—state
33 appropriation for fiscal year 2018 and \$2,700,000 of the general fund
34 —state appropriation for fiscal year 2019 (~~(is)~~) are provided solely
35 for the university to host the Special Olympics USA Games in July
36 2018.

37 (15) \$5,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$80,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for implementation of chapter
2 262, Laws of 2017 (E2SHB 1612) (lethal means, reduce access).

3 (16) \$400,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$400,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for a contract with the center
6 for sensorimotor neural engineering to advance research on spinal
7 cord injuries.

8 (17) \$2,250,000 of the general fund—state appropriation for
9 fiscal year 2018 and \$2,250,000 of the general fund—state
10 appropriation for fiscal year 2019 are provided solely for the
11 institute for stem cell and regenerative medicine. Funds appropriated
12 in this subsection must be dedicated to research utilizing
13 pluripotent stem cells and related research methods.

14 (18) \$500,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$500,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided to the University of Washington to
17 support youth and young adults experiencing homelessness in the
18 university district of Seattle. Funding is provided for the
19 university to work with community service providers and university
20 colleges and departments to plan for and implement a comprehensive
21 one-stop center with navigation services for homeless youth; the
22 university may contract with the department of commerce to expand
23 services that serve homeless youth in the university district.

24 (19) \$125,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$125,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for the University of Washington
27 school of public health to study the air quality implications of air
28 traffic at the international airport in the state that has the
29 highest total annual number of arrivals and departures. The study
30 must include an assessment of the concentrations of ultrafine
31 particulate matter in areas surrounding and directly impacted by air
32 traffic generated by the airport, including areas within ten miles of
33 the airport in the directions of aircraft flight paths and within ten
34 miles of the airport where public agencies operate an existing air
35 monitoring station. The study must attempt to distinguish between
36 aircraft and other sources of ultrafine particulate matter, and must
37 compare concentrations of ultrafine particulate matter in areas
38 impacted by high volumes of air traffic with concentrations of
39 ultrafine particulate matter in areas that are not impacted by high

1 volumes of air traffic. The university must coordinate with local
2 governments in areas addressed by the study to share results and
3 inclusively solicit feedback from community members. By December 1,
4 2019, the university must report study findings, including any gaps
5 and uncertainties in health information associated with ultrafine
6 particulate matter, and recommend to the legislature whether
7 sufficient information is available to proceed with a second phase of
8 the study.

9 (20) The appropriations in this section include sufficient
10 funding for the implementation of chapter 154, Laws of 2017 (SSB
11 5022) (education loan information).

12 (21) The appropriations in this section include sufficient
13 funding for the implementation of chapter 177, Laws of 2017 (SSB
14 5100) (financial literacy seminars).

15 (22) Within the funds appropriated in this section, the
16 University of Washington shall:

17 (a) Review the scholarly literature on the short-term and long-
18 term effects of marijuana use to assess if other states or private
19 entities are conducting marijuana research in areas that may be
20 useful to the state.

21 (b) Provide as part of its budget request for the 2019-2021
22 biennium:

23 (i) A list of intended state, federal, and privately funded
24 marijuana research, including cost, duration, and scope; and

25 (ii) Plans for partnerships with other universities, state
26 agencies, or private entities, including entities outside the state,
27 for purposes related to researching short-term and long-term effects
28 of marijuana use.

29 (23) General fund—state appropriations in this section are
30 reduced to reflect a reduction in state-supported tuition waivers for
31 graduate students. When reducing tuition waivers, the university will
32 not change its practices and procedures for providing eligible
33 veterans with tuition waivers.

34 (24) \$45,000 of the general fund—state appropriation for fiscal
35 year 2018 is provided solely for the university to conduct research
36 and analysis of military officers who are attending or have completed
37 the command and general staff college, intermediate level education,
38 or advanced operations course as part of their military education.
39 The purpose of the research and analysis is to examine possible
40 graduate level degree programs to be offered in partnership with the

1 university and the U.S. army's command and general staff college. The
2 research and analysis shall include stakeholder meetings with the
3 U.S. army's command and general staff college. The university shall
4 submit a report to the appropriate legislative higher education
5 committees and the joint committee on veterans and military affairs
6 by December 31, 2018. The report shall include the results of the
7 research and analysis and plans for possible next steps with other
8 service schools for field grade officers.

9 (25)(a) \$140,000 of the general fund—state appropriation for
10 fiscal year 2018 is provided solely for the University of Washington
11 school of law to convene a study on the Washington state supreme
12 court decision *Volk v. DeMeerleer*, 386 P.3d 254 (Wash. 2016), and
13 whether or not it substantially changed the law on the duty of care
14 for mental health providers and whether it has had an impact on
15 access to mental health care services in the state. The study shall
16 include:

17 (i) Comprehensive review of duty to warn and duty to protect case
18 law and laws in the United States, including a description of how
19 Washington state's law compares to other states and to what extent,
20 if any, the Volk decision changed the law in this state;

21 (ii) Comprehensive review and assessment of the involuntary and
22 voluntary treatment capacity available in the state, including
23 information and data available from the select committee on quality
24 improvement in state hospitals, related contractors, and other
25 sources;

26 (iii) An analysis of lawsuits brought in the state as a result of
27 the Volk decision, including the outcome of any such cases and any
28 harm alleged in each lawsuit;

29 (iv) An analysis of lawsuits brought in the state prior to the
30 issuance of the Volk decision, and since the issuance of the decision
31 in *Petersen v. State*, against outpatient mental health providers
32 alleged to have breached either the duty to warn or the duty to take
33 reasonable precautions established in *Petersen*, including the outcome
34 of any such cases and the harm alleged in each lawsuit;

35 (v) An analysis of insurance claims filed as a result of the Volk
36 decision, including the outcome of any such cases and any harm
37 alleged in each claim filed;

38 (vi) Whether insurance policy provisions and rates have been
39 affected due to the Volk decision;

1 (vii) Assessment of the number of mental health service providers
2 available to provide treatment to voluntary mental health patients in
3 the state, whether that capacity has changed, and whether any such
4 change is a result of the Volk decision, and a description of any
5 changes as a result of the Volk decision;

6 (viii) Assessment of whether mental health service providers may
7 be changing practice to limit exposure to the potential risks created
8 by the Volk decision;

9 (ix) Assessment of legal and practice implications state legal
10 standards regarding duty to warn and duty to protect in the voluntary
11 and involuntary treatment context; and

12 (x) Comprehensive review of practices where the practice has been
13 consistently shown to have achieved the results it seeks to achieve
14 and that those results are superior to those achieved by other means.

15 (b) When performing the study under this subsection, the
16 University of Washington school of law shall consult with subject-
17 matter experts including, but not limited to, individuals
18 representing the following organizations:

19 (i) Attorneys with experience representing defendants in personal
20 injury cases or wrongful death cases related to the issues raised by
21 duty to warn cases;

22 (ii) Washington state association for justice, representing
23 attorneys with experience representing plaintiffs in personal injury
24 cases or wrongful death cases related to the issues raised by duty to
25 warn cases;

26 (iii) Department of social and health services;

27 (iv) Washington academy of family physicians;

28 (v) Washington association for mental health treatment
29 protection;

30 (vi) Office of the insurance commissioner;

31 (vii) Washington council for behavioral health;

32 (viii) Washington state hospital association;

33 (ix) Washington state medical association;

34 (x) Washington state psychiatric association;

35 (xi) Washington state psychological association;

36 (xii) Washington state society for clinical social work;

37 (xiii) Washington association of police chiefs and sheriffs;

38 (xiv) Victim support services;

39 (xv) NW health law advocates;

40 (xvi) National alliance on mental illness;

1 (xvii) American civil liberties union; and

2 (xviii) A sample of families who testified or presented evidence
3 of their cases to the legislature.

4 (c) The University of Washington school of law shall consult each
5 listed organization separately. Following collection and analysis of
6 relevant data, they shall hold at least one meeting of all listed
7 organizations to discuss the data, analysis, and recommendations. The
8 University of Washington school of law must submit the final report
9 to the appropriate committees of the legislature by December 1, 2017.

10 (26) \$85,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for implementation of Engrossed Second
12 Substitute House Bill No. 2009 (gold star families/higher education).
13 If the bill is not enacted by June 30, 2018, the amount provided in
14 this subsection shall lapse.

15 (27) To ensure transparency and accountability, in the 2017-2019
16 fiscal biennium the University of Washington shall comply with any
17 and all financial and accountability audits by the Washington state
18 auditor including any and all audits of university services offered
19 to the general public, including those offered through any public-
20 private partnership, business venture, affiliation, or joint venture
21 with a public or private entity, except the government of the United
22 States. The university shall comply with all state auditor requests
23 for the university's financial and business information including the
24 university's governance and financial participation in these public-
25 private partnerships, business ventures, affiliations, or joint
26 ventures with a public or private entity. In any instance in which
27 the university declines to produce the information to the state
28 auditor, the university will provide the state auditor a brief
29 summary of the documents withheld and a citation of the legal or
30 contractual provision that prevents disclosure. The summaries must be
31 compiled into a report by the state auditor and provided on a
32 quarterly basis to the legislature.

33 (28) \$77,000 of the general fund—state appropriation for fiscal
34 year 2019 is provided solely for the University of Washington school
35 of environmental and forest sciences to pilot a program to advise and
36 facilitate the activities of the Olympic peninsula forest
37 collaborative.

38 (29)(a) \$172,000 of the general fund—state appropriation for
39 fiscal year 2019 is provided solely for a University of Washington

1 study in the south Cascades to determine current wolf use and
2 density, and to gather baseline data to understand the effects of
3 wolf recolonization on predator-prey dynamics of species that
4 currently have established populations in the area. The study
5 objectives shall include:

6 (i) Determination of whether wolves have started to recolonize a
7 5,000 square kilometer study area in the south Cascades of
8 Washington, and if so, an assessment of their distribution over the
9 landscape as well as their health and pregnancy rates;

10 (ii) Baseline data collection, if wolves have not yet established
11 pack territories in this portion of the state, that will allow for
12 the assessment of how the functional densities and diets of wolves
13 across the landscape will affect the densities and diets in the
14 following predators and prey: Coyote, cougar, black bear, bobcat, red
15 fox, wolverine, elk, white tailed deer, mule deer, moose, caribou,
16 and snowshoe hare;

17 (iii) Examination of whether the microbiome of each species
18 changes as wolves start to occupy suitable habitat; and

19 (iv) An assessment of the use of alternative wildlife monitoring
20 tools to cost-effectively monitor size of the wolf population over
21 the long-term.

22 (b) A report on the findings of the study shall be shared with
23 the Washington department of fish and wildlife.

24 (30) \$1,000,000 of the general fund—state appropriation for
25 fiscal year 2019 is provided solely for the University of
26 Washington's psychiatry integrated care training program.

27 (31) \$200,000 of the geoduck aquaculture research account—state
28 appropriation is provided solely for the Washington sea grant program
29 at the University of Washington to complete a three-year study to
30 identify best management practices related to shellfish production.
31 The University of Washington must submit an annual report detailing
32 any findings and outline the progress of the study, consistent with
33 RCW 43.01.036, to the office of the governor and the appropriate
34 legislative committees by December 1st of each year.

35 (32) \$3,000,000 of the general fund—state appropriation for
36 fiscal year 2018 and \$6,000,000 of the general fund—state
37 appropriation for fiscal year 2019 are provided on a one-time basis
38 solely for compensation and central services costs. The funding
39 provided shall temporarily replace a portion of tuition expenditures

1 on central services and salaries and benefits for union-represented
2 and nonrepresented employees. The additional funding provided in this
3 section will permit the university to fund the incremental cost of
4 compensation costs for all general fund—state and tuition-supported
5 employees in equal amounts from general fund—state and tuition for
6 the remainder of the 2017-2019 fiscal biennium.

7 (33) \$200,000 of the general fund—state appropriation for fiscal
8 year 2019 is provided solely for the pre-law pipeline and social
9 justice program at the University of Washington Tacoma.

10 (34) \$135,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for Washington MESA to continue the
12 First Nations MESA program in the Yakima Valley.

13 (35) \$150,000 of the general fund—state appropriation for fiscal
14 year 2019 is provided solely for implementation of Substitute Senate
15 Bill No. 6514 (higher education behavioral health). If the bill is
16 not enacted by June 30, 2018, the amount provided in this subsection
17 shall lapse.

18 (36) \$10,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for implementation of Engrossed House
20 Bill No. 2957 (nonnative finfish escape). If the bill is not enacted
21 by June 30, 2018, the amount provided in this subsection shall lapse.

22 (37) \$81,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely for implementation of Senate Bill No.
24 5028 (Native American curriculum). If the bill is not enacted by June
25 30, 2018, the amount provided in this subsection shall lapse.

26 **Sec. 603.** 2017 3rd sp.s. c 1 s 607 (uncodified) is amended to
27 read as follows:

28 **FOR WASHINGTON STATE UNIVERSITY**

| | | | |
|----|--|-----------|--------------------------------|
| 29 | General Fund—State Appropriation (FY 2018) | | ((\$215,329,000)) |
| 30 | | | <u>\$200,567,000</u> |
| 31 | General Fund—State Appropriation (FY 2019) | | ((\$227,266,000)) |
| 32 | | | <u>\$212,381,000</u> |
| 33 | WSU Building Account—State Appropriation. | | \$792,000 |
| 34 | Education Legacy Trust Account—State Appropriation | . . . | \$33,995,000 |
| 35 | Dedicated Marijuana Account—State Appropriation | | |
| 36 | (FY 2018) | | \$138,000 |
| 37 | Dedicated Marijuana Account—State Appropriation | | |
| 38 | (FY 2019) | | \$138,000 |

1 Pension Funding Stabilization Account—State

| | | |
|---|-------------------------------|--------------------------------|
| 2 | <u>Appropriation.</u> | <u>\$30,983,000</u> |
| 3 | TOTAL APPROPRIATION. | ((\$477,658,000)) |
| 4 | | <u>\$478,994,000</u> |

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

7 (1) \$90,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$90,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for a rural economic development
10 and outreach coordinator.

11 (2) The university must continue work with the education research
12 and data center to demonstrate progress in computer science and
13 engineering enrollments. By September 1st of each year, the
14 university shall provide a report including but not limited to the
15 cost per student, student completion rates, and the number of low-
16 income students enrolled in each program, any process changes or
17 best-practices implemented by the university, and how many students
18 are enrolled in computer science and engineering programs above the
19 prior academic year.

20 (3) \$500,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$500,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for state match requirements
23 related to the federal aviation administration grant.

24 (4) Washington State University shall not use funds appropriated
25 in this section to support intercollegiate athletic programs.

26 (5) The appropriations in this section include sufficient funding
27 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
28 (education loan information).

29 (6) The appropriations in this section include sufficient funding
30 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
31 (financial literacy seminars).

32 (7) \$3,000,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$7,000,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for the continued development
35 and operations of a medical school program in Spokane.

36 ~~(8) ((Within the funds appropriated in this section, Washington~~
37 ~~State University is required to provide administrative support to the~~
38 ~~sustainable aviation biofuels work group authorized under RCW~~
39 ~~28B.30.904.~~

1 ~~(9)~~) \$135,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$135,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for a honey bee biology research
4 position.

5 ~~((10) \$27,425,000))~~ (9) \$27,586,000 of the general fund—state
6 appropriation for fiscal year 2018 and ~~((\$27,973,000))~~ \$28,275,000 of
7 the general fund—state appropriation for fiscal year 2019 are
8 provided solely for the implementation of the college affordability
9 program as set forth in RCW 28B.15.066.

10 ~~((11))~~ (10) \$230,000 of the general fund—state appropriation
11 for fiscal year 2018 and \$376,000 of the general fund—state
12 appropriation for fiscal year 2019 are provided solely for chapter
13 202, Laws of 2017 (2SHB 1713) (children's mental health).

14 ~~((12))~~ (11) \$300,000 of the general fund—state appropriation
15 for fiscal year 2018 and \$300,000 of the general fund—state
16 appropriation for fiscal year 2019 are provided solely for the
17 William D. Ruckelshaus center to collaborate with groups and
18 organizations, including associations of local governments,
19 associations of the business, real estate and building industries,
20 state agencies, environmental organizations, state universities,
21 public health and planning organizations, and tribal governments, to
22 create a "Road Map to Washington's Future." The road map shall
23 identify areas of agreement on ways to adapt Washington's growth
24 management framework of statutes, institutions, and policies to meet
25 future challenges in view of robust forecasted growth and the unique
26 circumstances and urgent priorities in the diverse regions of the
27 state. The center shall, in conjunction with state universities and
28 other sponsors, conduct regional workshops to:

29 (a) Engage Washington residents in identifying a desired
30 statewide vision for Washington's future;

31 (b) Partner with state universities on targeted research to
32 inform future alternatives;

33 (c) Facilitate deep and candid interviews with representatives of
34 the above named groups and organizations; and

35 (d) Convene parties for collaborative conversations and potential
36 agreement seeking.

37 The center must submit a final report to the appropriate committees
38 of the legislature by June 30, 2019.

1 ~~((13))~~ (12) \$580,000 of the general fund—state appropriation
2 for fiscal year 2018 and \$580,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for the
4 development of an organic agriculture systems degree program located
5 at the university center in Everett.

6 ~~((14))~~ (13) Within the funds appropriated in this section,
7 Washington State University shall:

8 (a) Review the scholarly literature on the short-term and long-
9 term effects of marijuana use to assess if other states or private
10 entities are conducting marijuana research in areas that may be
11 useful to the state.

12 (b) Provide as part of its budget request for the 2019-2021
13 fiscal biennium:

14 (i) A list of intended state, federal, and privately funded
15 marijuana research, including cost, duration, and scope;

16 (ii) Plans for partnerships with other universities, state
17 agencies, or private entities, including entities outside the state,
18 for purposes related to researching short-term and long-term effects
19 of marijuana use.

20 ~~((15))~~ (14) \$760,000 of the general fund—state appropriation
21 for fiscal year 2018 and \$760,000 of the general fund—state
22 appropriation for fiscal year 2019 are provided solely for
23 implementation of chapter 159, Laws of 2017 (2SSB 5474) (elk hoof
24 disease).

25 ~~((16))~~ (15) \$630,000 of the general fund—state appropriation
26 for fiscal 2018 and \$630,000 of the general fund—state appropriation
27 for fiscal year 2019 are provided solely for the creation of an
28 electrical engineering program located in Bremerton. At full
29 implementation, the university is expected to increase degree
30 production by 25 new bachelor's degrees per year. The university must
31 identify these students separately when providing data to the
32 education research data center as required in subsection (2) of this
33 section.

34 ~~((17))~~ (16) \$1,370,000 of the general fund—state appropriation
35 for fiscal year 2018 and \$1,370,000 of the general fund—state
36 appropriation for fiscal year 2019 are provided solely for the
37 creation of software engineering and data analytic programs at the
38 university center in Everett. At full implementation, the university
39 is expected to enroll 50 students per academic year. The university

1 must identify these students separately when providing data to the
2 education research data center as required in subsection (2) of this
3 section.

4 ~~((18))~~ (17) General fund—state appropriations in this section
5 are reduced to reflect a reduction in state-supported tuition waivers
6 for graduate students. When reducing tuition waivers, the university
7 will not change its practices and procedures for providing eligible
8 veterans with tuition waivers.

9 (18) \$768,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$504,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for implementation of chapter
12 36, Laws of 2017 3rd sp. sess. (renewable energy, tax incentives).

13 (19) \$89,000 of the general fund—state appropriation for fiscal
14 year 2019 is provided solely for implementation of Engrossed Second
15 Substitute House Bill No. 2009 (gold star families/higher education).
16 If the bill is not enacted by June 30, 2018, the amount provided in
17 this subsection shall lapse.

18 (20) \$58,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for implementation of Substitute House
20 Bill No. 2580 (renewable natural gas). If the bill is not enacted by
21 June 30, 2018, the amount provided in this subsection shall lapse.

22 (21) \$500,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely for the joint center for deployment and
24 research in earth abundant materials.

25 (22) \$75,000 of the general fund—state appropriation for fiscal
26 year 2019 is provided solely for the Washington State University tree
27 fruit research and extension center in Wenatchee to create a plan for
28 expansion of graduate research in the greater Wenatchee Valley. This
29 plan may include proposals for new research programs, new or expanded
30 facilities, and other elements necessary to facilitate expansion of
31 graduate research in the greater Wenatchee Valley.

32 (23) \$15,000 of the general fund—state appropriation for fiscal
33 year 2019 is provided solely for implementation of Senate Bill No.
34 5028 (Native American curriculum). If the bill is not enacted by June
35 30, 2018, the amount provided in this subsection shall lapse.

36 (24) \$20,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the office of clean technology at
38 Washington State University to convene a sustainable aviation
39 biofuels work group to further the development of sustainable

1 aviation fuel as a productive industry in Washington. The work group
2 must include members from the legislature and sectors involved in
3 sustainable aviation biofuels research, development, production, and
4 utilization. The work group must provide recommendations to the
5 governor and the appropriate committees of the legislature before
6 December 1, 2019.

7 (25) \$17,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$33,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for the William D. Ruckelshaus
10 center to provide meeting facilitation and related services for the
11 legislative task force on legislative records as specified in section
12 925(4) of this act.

13 **Sec. 604.** 2017 3rd sp.s. c 1 s 608 (uncodified) is amended to
14 read as follows:

15 **FOR EASTERN WASHINGTON UNIVERSITY**

| | | | |
|----|--|-----------|--------------------------------|
| 16 | General Fund—State Appropriation (FY 2018) | | ((\$50,064,000)) |
| 17 | | | <u>\$50,213,000</u> |
| 18 | General Fund—State Appropriation (FY 2019) | | ((\$51,985,000)) |
| 19 | | | <u>\$52,015,000</u> |
| 20 | Education Legacy Trust Account—State Appropriation | . . . | \$16,598,000 |
| 21 | TOTAL APPROPRIATION. | | ((\$118,647,000)) |
| 22 | | | <u>\$118,826,000</u> |

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

25 (1) At least \$200,000 of the general fund—state appropriation for
26 fiscal year 2018 and at least \$200,000 of the general fund—state
27 appropriation for fiscal year 2019 must be expended on the Northwest
28 autism center.

29 (2) The university must continue work with the education research
30 and data center to demonstrate progress in computer science and
31 engineering enrollments. By September 1st of each year, the
32 university shall provide a report including but not limited to the
33 cost per student, student completion rates, and the number of low-
34 income students enrolled in each program, any process changes or
35 best-practices implemented by the university, and how many students
36 are enrolled in computer science and engineering programs above the
37 prior academic year.

1 (3) Eastern Washington University shall not use funds
2 appropriated in this section to support intercollegiate athletics
3 programs.

4 (4) (~~(\$9,851,000)~~) \$9,909,000 of the general fund—state
5 appropriation for fiscal year 2018 and (~~(\$10,048,000)~~) \$10,156,000 of
6 the general fund—state appropriation for fiscal year 2019 are
7 provided solely for the implementation of the college affordability
8 program as set forth in RCW 28B.15.066.

9 (5) The appropriations in this section include sufficient funding
10 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
11 (education loan information).

12 (6) The appropriations in this section include sufficient funding
13 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
14 (financial literacy seminars).

15 (7) Within amounts appropriated in this section, the university
16 is encouraged to increase the number of tenure-track positions
17 created and hired.

18 (8) \$55,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for implementation of Engrossed Second
20 Substitute House Bill No. 2009 (gold star families/higher education).
21 If the bill is not enacted by June 30, 2018, the amount provided in
22 this subsection shall lapse.

23 (9) \$20,000 of the general fund—state appropriation for fiscal
24 year 2019 is provided solely for implementation of Senate Bill No.
25 5028 (Native American curriculum). If the bill is not enacted by June
26 30, 2018, the amount provided in this subsection shall lapse.

27 **Sec. 605.** 2017 3rd sp.s. c 1 s 609 (uncodified) is amended to
28 read as follows:

29 **FOR CENTRAL WASHINGTON UNIVERSITY**

| | |
|---|--------------------------------|
| 30 General Fund—State Appropriation (FY 2018) | ((\$49,969,000)) |
| | <u>\$48,136,000</u> |
| 32 General Fund—State Appropriation (FY 2019) | ((\$52,303,000)) |
| | <u>\$50,646,000</u> |
| 34 CWU Capital Projects Account—State Appropriation. | \$76,000 |
| 35 Education Legacy Trust Account—State Appropriation | \$19,076,000 |
| 36 <u>Pension Funding Stabilization Account—State</u> | |
| 37 <u>Appropriation.</u> | <u>\$3,921,000</u> |
| 38 TOTAL APPROPRIATION. | ((\$121,424,000)) |

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.

1 (9) \$130,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for Central Washington University to
3 partner with the office of the lieutenant governor, and employers and
4 labor representatives from the building and construction trades to
5 create a bachelor's degree program for individuals who have completed
6 or are completing certain registered apprenticeship programs. The
7 program shall be inclusive of prior learning, specifically tailored
8 to experience gained through apprenticeships and work in the building
9 and construction trades, and use an affordable online delivery model.
10 The program's financial model must be designed to make this degree
11 program self-sustaining without state support.

12 (10) \$23,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for implementation of Senate Bill No.
14 5028 (Native American curriculum). If the bill is not enacted by June
15 30, 2018, the amount provided in this subsection shall lapse.

16 *Sec. 606. 2017 3rd sp.s. c 1 s 610 (uncodified) is amended to
17 read as follows:

18 **FOR THE EVERGREEN STATE COLLEGE**

| | | | |
|----|--|----------------------|-------------------------------|
| 19 | General Fund—State Appropriation (FY 2018) | | ((\$26,543,000)) |
| 20 | | | <u>\$26,608,000</u> |
| 21 | General Fund—State Appropriation (FY 2019) | | ((\$27,146,000)) |
| 22 | | | <u>\$28,126,000</u> |
| 23 | TESC Capital Projects Account—State Appropriation. | | \$80,000 |
| 24 | Education Legacy Trust Account—State Appropriation | | \$5,450,000 |
| 25 | ((Liquor Revolving Account—State Appropriation. | | \$250,000)) |
| 26 | <u>Pension Funding Stabilization Account—State</u> | | |
| 27 | <u>Appropriation.</u> | | <u>\$2,000</u> |
| 28 | TOTAL APPROPRIATION. | | ((\$59,469,000)) |
| 29 | | | <u>\$60,266,000</u> |

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

32 (1) ((~~\$3,377,000~~)) \$3,397,000 of the general fund—state
33 appropriation for fiscal year 2018 and ((~~\$3,445,000~~)) \$3,482,000 of
34 the general fund—state appropriation for fiscal year 2019 are
35 provided solely for the implementation of the college affordability
36 program as set forth in RCW 28B.15.066.

1 (2) Funding provided in this section is sufficient for The
2 Evergreen State College to continue operations of the Longhouse
3 Center and the Northwest Indian applied research institute.

4 (3) Notwithstanding other provisions in this section, the board
5 of directors for the Washington state institute for public policy may
6 adjust due dates for projects included on the institute's 2017-19
7 work plan as necessary to efficiently manage workload.

8 (4) The Evergreen State College shall not use funds appropriated
9 in this section to support intercollegiate athletics programs.

10 (5) \$33,000 of the general fund—state appropriation for fiscal
11 year 2018 and (~~(\$65,000)~~) \$95,000 of the general fund—state
12 appropriation for fiscal year 2019 are provided solely for
13 implementation of chapter 265, Laws of 2017 (SHB 1867) (ext. foster
14 care transitions).

15 (6) \$62,000 of the general fund—state appropriation for fiscal
16 year 2018 are provided solely for implementation of chapter 237, Laws
17 of 2017 (ESHB 1115) (paraeducators).

18 (7) \$17,000 of the general fund—state appropriation for fiscal
19 year 2018 and (~~(\$34,000)~~) \$41,000 of the general fund—state
20 appropriation for fiscal year 2019 are provided solely for the
21 Washington institute for public policy to conduct a study regarding
22 the implementation of certain aspects of the involuntary treatment
23 act, pursuant to chapter 29, Laws of 2016, sp. sess. (E3SHB 1713).

24 (8) The appropriations in this section include sufficient funding
25 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
26 (education loan information).

27 (9) The appropriations in this section include sufficient funding
28 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
29 (financial literacy seminars).

30 (10) \$72,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$43,000 of the general fund—state appropriation for
32 fiscal year 2019 is provided solely for the Washington institute for
33 public policy to update its previous meta-analysis on the effect of
34 the national board for professional teaching standards certification
35 on student outcomes by December 15, 2018. The institute shall also
36 report on the following:

37 (a) Does the certification improve teacher retention in
38 Washington state?;

1 (b) Has the additional bonus provided under RCW 28A.405.415 to
2 certificated instructional staff who have attained national board
3 certification to work in high poverty schools acted as an incentive
4 for such teachers to actually work in high poverty schools?; and

5 (c) Have other states provided similar incentives to achieve a
6 more equitable distribution of staff with national board
7 certification?

8 (11) \$122,000 of the general fund—state appropriation for fiscal
9 year 2018 and (~~(\$40,000)~~) \$141,000 of the general fund—state
10 appropriation for fiscal year 2019 are provided solely for the
11 implementation of chapter 244, Laws of 2015 (college bound).

12 (12) \$1,000 of the general fund—state appropriation for fiscal
13 year 2018 and (~~(\$1,000)~~) \$7,000 of the general fund—state
14 appropriation for fiscal year 2019 are provided solely for the
15 implementation of chapter 7, Laws of 2015, 3rd sp.s. (early start
16 act).

17 (~~((14))~~) (13) Within amounts appropriated in this section, the
18 college is encouraged to increase the number of tenure-track
19 positions created and hired.

20 (~~((15))~~) (14) \$16,000 of the general fund—state appropriation for
21 fiscal year 2018 and (~~(\$22,000)~~) \$50,000 of the general fund—state
22 appropriation for fiscal year 2019 are provided solely for
23 implementation of Engrossed Substitute Senate Bill No. 5890 (foster
24 care and adoption). If the bill is not enacted by July 31, 2017, the
25 amounts provided in this subsection shall lapse.

26 (15) \$100,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely for the Washington state institute for
28 public policy to conduct a study of single payer and universal
29 coverage health care systems. The institute may seek support from the
30 office of the state actuary. The institute shall provide a report to
31 the appropriate committees of the legislature by December 1, 2018.
32 The study shall:

33 (a) Summarize the parameters used to define universal coverage,
34 single payer, and other innovative systems;

35 (b) Compare the characteristics of up to ten universal or single
36 payer models available in the United States or elsewhere; and

37 (c) Summarize any available research literature that examines the
38 effect of models detailed in (b) of this subsection on outcomes such
39 as overall cost, quality of care, health outcomes, or the uninsured

1 rate. If possible, the institute shall conduct meta-analyses to
2 address this subsection.

3 (16) \$56,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for data storage and security upgrades
5 at the Washington state institute for public policy.

6 (17) \$27,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for implementation of Engrossed Second
8 Substitute House Bill No. 2009 (gold star families/higher education).
9 If the bill is not enacted by June 30, 2018, the amount provided in
10 this subsection shall lapse.

11 (18) \$150,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided to the Washington state institute for public
13 policy solely for additional research related to marijuana. In
14 addition to those activities performed pursuant to Initiative Measure
15 No. 502, the institute must:

16 (a) Update the inventory of programs for the prevention and
17 treatment of youth cannabis use published in December 2016; and

18 (b) Examine current data collection methods measuring use of
19 cannabis by youth and report to the legislature on potential ways to
20 improve data collection and comparisons; and

21 (c) To the extent information is available, identify effective
22 methods used to reduce or eliminate the unlicensed cultivation or
23 distribution of marijuana or marijuana containing products in
24 jurisdictions with existing recreational and/or medical marijuana
25 markets.

26 (19) \$37,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely for implementation of Engrossed Second
28 Substitute House Bill No. 1561 (open educational resources). If the
29 bill is not enacted by June 30, 2018, the amount provided in this
30 subsection shall lapse.

31 (20) \$111,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$20,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for implementation of chapter
34 205, Laws of 2016 (2SHB 2449) (truancy reduction).

35 (21)(a) \$100,000 of the general fund—state appropriation for
36 fiscal year 2019 is provided solely for the Washington state
37 institute for public policy shall conduct a statewide study on the
38 needs of dually involved females. To the extent possible, the study
39 must review available data for the following purposes:

1 (i) Understanding the prevalence and demographics of the dually
2 involved female population and their families;

3 (ii) Tracking outcomes for this population including, but not
4 limited to, academic, social, and vocational achievement; and

5 (iii) Surveying other states' systems that address and treat the
6 needs of this population.

7 (b) To the extent possible, the data should be disaggregated by
8 race and ethnicity, gender, sexual orientation and gender identity,
9 county of residence, and other relevant variables.

10 (c) The study should include a cost-benefit analysis of programs
11 for dually involved females that would show evidence of avoidance of
12 costs associated with public welfare programs or would demonstrate
13 higher educational attainment.

14 (d) By July 1, 2019, the Washington state institute for public
15 policy shall submit its study findings to the legislative fiscal and
16 policy committees with responsibility for child welfare and juvenile
17 justice issues.

18 (22) \$57,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for the Washington institute for public
20 policy to conduct a review of the available research literature on
21 step therapy protocol usage, including any rigorous evidence
22 concerning positive or negative health outcomes resulting from step
23 therapy protocol usage. The institute must also review any rigorous
24 evidence regarding the effectiveness of exceptions to the use of step
25 therapy in improving health outcomes and reducing adverse events, and
26 provide a summary of step therapy protocol exceptions that have been
27 codified in other states. The institute must submit a report on its
28 findings to the appropriate committees of the senate and house of
29 representatives by December 1, 2018.

30 (23)(a) \$25,000 of the general fund—state appropriation for
31 fiscal year 2018 and \$55,000 of the general fund—state appropriation
32 for fiscal year 2019 are provided solely for the Washington state
33 institute of public policy to review the higher education funding
34 models in ten states with higher education systems that are similar
35 to Washington state, and report to the legislature by November 1,
36 2018. The review must include a breakdown of:

37 (i) The method used to determine state funding levels for
38 institutions of higher education;

1 (ii) The proportion of state funding that comes from the state
2 general fund or that state's equivalent accounts for salary and
3 benefit increases at institutions of higher education;

4 (iii) The manner in which salary and benefit increases are
5 determined at or on behalf of employees at institutions of higher
6 education;

7 (iv) The total proportion of state funding that comes from the
8 state general fund or that state's equivalent accounts for
9 institutions of higher education.

10 **(b) The office of financial management in consultation with the**
11 **state board for community and technical colleges and the council of**
12 **presidents, may use information in the report to present funding**
13 **options to the legislature. The legislature shall consider any**
14 **options that are made available by the office of financial management**
15 **under this subsection when making future decisions about funding for**
16 **salaries and benefits during the 2019-2021 biennium.**

17 (24) \$124,000 of the general fund—state appropriation for fiscal
18 year 2019 is provided solely for implementation of Engrossed Second
19 Substitute Senate Bill No. 6029 (student loan bill of rights). If the
20 bill is not enacted by June 30, 2018, the amounts provided in this
21 subsection shall lapse.

**Sec. 606 was partially vetoed. See message at end of chapter.*

22 **Sec. 607.** 2017 3rd sp.s. c 1 s 611 (uncodified) is amended to
23 read as follows:

24 **FOR WESTERN WASHINGTON UNIVERSITY**

| | | | |
|----|--|-----------|--------------------------------|
| 25 | General Fund—State Appropriation (FY 2018) | | ((\$70,456,000)) |
| 26 | | | <u>\$70,475,000</u> |
| 27 | General Fund—State Appropriation (FY 2019) | | ((\$72,950,000)) |
| 28 | | | <u>\$74,825,000</u> |
| 29 | Education Legacy Trust Account—State Appropriation | . . . | \$13,831,000 |
| 30 | Western Washington University Capital Projects | | |
| 31 | Account—State Appropriation (FY 2018) | | \$771,000 |
| 32 | Western Washington University Capital Projects Account—State | | |
| 33 | Appropriation (FY 2019) | | \$712,000 |
| 34 | TOTAL APPROPRIATION | | ((\$158,720,000)) |
| 35 | | | <u>\$160,614,000</u> |

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

1 (1) The university must continue work with the education research
2 and data center to demonstrate progress in computer science and
3 engineering enrollments. By September 1st of each year, the
4 university shall provide a report including but not limited to the
5 cost per student, student completion rates, and the number of low-
6 income students enrolled in each program, any process changes or
7 best-practices implemented by the university, and how many students
8 are enrolled in computer science and engineering programs above the
9 prior academic year.

10 (2) \$630,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$630,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for the computer and information
13 systems security program located at Olympic college - Poulsbo. The
14 university is expected to enroll 30 students each academic year
15 beginning in fiscal year 2017. The university must identify these
16 students separately when providing data to the educational data
17 centers as required in (1) of this section.

18 (3) Western Washington University shall not use funds
19 appropriated in this section to support intercollegiate athletics
20 programs.

21 (4) (~~(\$15,326,000)~~) \$15,416,000 of the general fund—state
22 appropriation for fiscal year 2018 and (~~(\$15,632,000)~~) \$15,801,000 of
23 the general fund—state appropriation for fiscal year 2019 are
24 provided solely for the implementation of the college affordability
25 program as set forth in RCW 28B.15.066.

26 (5) The appropriations in this section include sufficient funding
27 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
28 (education loan information).

29 (6) The appropriations in this section include sufficient funding
30 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
31 (financial literacy seminars).

32 (7) \$500,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$500,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for programs or initiatives
35 designed to improve student academic success and increase degree
36 completion.

37 (8) Within amounts appropriated in this section, the university
38 is encouraged to increase the number of tenure-track positions
39 created and hired.

1 (9) \$39,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for implementation of Engrossed Second
3 Substitute House Bill No. 2009 (gold star families/higher education).
4 If the bill is not enacted by June 30, 2018, the amount provided in
5 this subsection shall lapse.

6 (10) \$700,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for the creation and implementation of
8 an early childhood education degree program at the western on the
9 peninsulas campus. The university must collaborate with Olympic
10 college. At full implementation, the university is expected to grant
11 approximately 75 bachelor's degrees in early childhood education per
12 year at the western on the peninsulas campus.

13 (11) \$70,000 of the general fund—state appropriation for fiscal
14 year 2019 is provided solely for a study of the feasibility of the
15 university creating a four-year degree-granting campus on the Kitsap
16 or Olympic peninsula. The university shall submit a report on the
17 findings of the study to the governor and appropriate committees of
18 the legislature by December 2018.

19 (12) \$24,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for implementation of Senate Bill No.
21 5028 (Native American curriculum). If the bill is not enacted by June
22 30, 2018, the amount provided in this subsection shall lapse.

23 (13) \$1,306,000 of the general fund—state appropriation for
24 fiscal year 2019 is provided solely for Western Washington University
25 to develop a new program in marine, coastal, and watershed sciences.

26 **Sec. 608.** 2017 3rd sp.s. c 1 s 612 (uncodified) is amended to
27 read as follows:

28 **FOR THE STUDENT ACHIEVEMENT COUNCIL—POLICY COORDINATION AND**
29 **ADMINISTRATION**

| | | | |
|----|--|-----------|------------------------------------|
| 30 | General Fund—State Appropriation (FY 2018) | | ((\$5,640,000)) |
| 31 | | | <u>\$5,373,000</u> |
| 32 | General Fund—State Appropriation (FY 2019) | | ((\$5,791,000)) |
| 33 | | | <u>\$6,704,000</u> |
| 34 | General Fund—Federal Appropriation | | ((\$4,892,000)) |
| 35 | | | <u>\$4,890,000</u> |
| 36 | <u>Pension Funding Stabilization Account—State</u> | | |
| 37 | <u>Appropriation.</u> | | <u>\$535,000</u> |
| 38 | <u>TOTAL APPROPRIATION.</u> | | <u>((\$16,323,000))</u> |

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 House Bill No. 2143 (higher education financial aid). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(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)) |
| | | <u>\$238,388,000</u> |
| General Fund—State Appropriation (FY 2019) | | ((\$242,726,000)) |
| | | <u>\$262,875,000</u> |

| | | |
|----|---|--------------------------------|
| 1 | General Fund—Federal Appropriation | ((\$11,906,000)) |
| 2 | | <u>\$11,903,000</u> |
| 3 | General Fund—Private/Local Appropriation | \$300,000 |
| 4 | Education Legacy Trust Account—State Appropriation | ((\$99,955,000)) |
| 5 | | <u>\$104,291,000</u> |
| 6 | WA Opportunity Pathways Account—State | |
| 7 | Appropriation | ((\$117,389,000)) |
| 8 | | <u>\$122,350,000</u> |
| 9 | Aerospace Training Student Loan Account—State | |
| 10 | Appropriation | \$208,000 |
| 11 | Health Professionals Loan Repayment and Scholarship | |
| 12 | Program Account—State Appropriation | \$4,720,000 |
| 13 | <u>Pension Funding Stabilization Account—State Appropriation.</u> | <u>\$18,000</u> |
| 14 | TOTAL APPROPRIATION. | ((\$715,601,000)) |
| 15 | | <u>\$745,053,000</u> |

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

18 (1) \$229,157,000 of the general fund—state appropriation for
19 fiscal year 2018, ((~~\$233,928,000~~)) \$252,428,000 of the general fund—
20 state appropriation for fiscal year 2019, \$69,376,000 of the
21 education legacy trust account—state appropriation, and \$88,000,000
22 of the Washington opportunity pathways account—state appropriation
23 are provided solely for student financial aid payments under the
24 state need grant and state work study programs, including up to four
25 percent administrative allowance for the state work study program.

26 (2)(a) For the 2017-2019 fiscal biennium, state need grant awards
27 given to private for-profit institutions shall be the same amount as
28 the prior year.

29 (b) For the 2017-2019 fiscal biennium, grant awards given to
30 private four-year not-for-profit institutions shall be set at the
31 same level as the average grant award for public research
32 universities. Increases in awards given to private four-year not-for-
33 profit institutions shall align with annual tuition increases for
34 public research institutions.

35 (3) Changes made to the state work study program in the 2009-2011
36 and 2011-2013 fiscal biennia are continued in the 2017-2019 fiscal
37 biennium including maintaining the increased required employer share
38 of wages; adjusted employer match rates; discontinuation of
39 nonresident student eligibility for the program; and revising

1 distribution methods to institutions by taking into consideration
2 other factors such as off-campus job development, historical
3 utilization trends, and student need.

4 (4) Within the funds appropriated in this section, eligibility
5 for the state need grant includes students with family incomes at or
6 below 70 percent of the state median family income (MFI), adjusted
7 for family size, and shall include students enrolled in three to five
8 credit-bearing quarter credits, or the equivalent semester credits.
9 Awards for students with incomes between 51 and 70 percent of the
10 state median shall be prorated at the following percentages of the
11 award amount granted to those with incomes below 51 percent of the
12 MFI: 70 percent for students with family incomes between 51 and 55
13 percent MFI; 65 percent for students with family incomes between 56
14 and 60 percent MFI; 60 percent for students with family incomes
15 between 61 and 65 percent MFI; and 50 percent for students with
16 family incomes between 66 and 70 percent MFI.

17 (5) Of the amounts provided in subsection (1) of this section,
18 \$100,000 of the general fund—state appropriation for fiscal year 2018
19 and \$100,000 of the general fund—state appropriation for fiscal year
20 2019 are provided for the council to process an alternative financial
21 aid application system pursuant to RCW 28B.92.010.

22 (6) Students who are eligible for the college bound scholarship
23 shall be given priority for the state need grant program. These
24 eligible college bound students whose family incomes are in the 0-65
25 percent median family income ranges must be awarded the maximum state
26 need grant for which they are eligible under state policies and may
27 not be denied maximum state need grant funding due to institutional
28 policies or delayed awarding of college bound scholarship students.
29 The council shall provide directions to institutions to maximize the
30 number of college bound scholarship students receiving the maximum
31 state need grant for which they are eligible with a goal of 100
32 percent coordination. Institutions shall identify all college bound
33 scholarship students to receive state need grant priority. If an
34 institution is unable to identify all college bound scholarship
35 students at the time of initial state aid packaging, the institution
36 should reserve state need grant funding sufficient to cover the
37 projected enrollments of college bound scholarship students.

38 (7) \$15,849,000 of the education legacy trust account—state
39 appropriation and (~~(\$29,389,000)~~) \$34,350,000 of the Washington

1 opportunity pathways account—state appropriation are provided solely
2 for the college bound scholarship program and may support
3 scholarships for summer session. The office of student financial
4 assistance and the institutions of higher education shall consider
5 awards made by the opportunity scholarship program to be state-funded
6 for the purpose of determining the value of an award amount under RCW
7 28B.118.010.

8 (8) \$2,236,000 of the general fund—state appropriation for fiscal
9 year 2018 and (~~(\$2,236,000)~~) \$2,795,000 of the general fund—state
10 appropriation for fiscal year 2019 are provided solely for the
11 passport to college program. The maximum scholarship award is up to
12 \$5,000. The council shall contract with a nonprofit organization to
13 provide support services to increase student completion in their
14 postsecondary program and shall, under this contract, provide a
15 minimum of \$500,000 in fiscal years 2018 and 2019 for this purpose.
16 Of the amounts in this subsection, \$559,000 of the general fund—state
17 appropriation for fiscal year 2019 is provided solely for
18 implementation of Second Substitute Senate Bill No. 6274
19 (apprenticeships/foster). If the bill is not enacted by June 30,
20 2018, this portion of the amount provided in this subsection shall
21 lapse.

22 (9) (~~(\$14,730,000)~~) \$19,066,000 of the education legacy trust
23 account—state appropriation is provided solely to meet state match
24 requirements associated with the opportunity scholarship program. The
25 legislature will evaluate subsequent appropriations to the
26 opportunity scholarship program based on the extent that additional
27 private contributions are made, program spending patterns, and fund
28 balance.

29 (10) \$2,325,000 of the general fund—state appropriation for
30 fiscal year 2018 and \$2,325,000 of the general fund—state
31 appropriation for fiscal year 2019 are provided solely for
32 expenditure into the health professionals loan repayment and
33 scholarship program account. These amounts and \$4,720,000
34 appropriated from the health professionals loan repayment and
35 scholarship program account must be used to increase the number of
36 licensed primary care health professionals to serve in licensed
37 primary care health professional critical shortage areas. Contracts
38 between the office and program recipients must guarantee at least
39 three years of conditional loan repayments. The office of student

1 financial assistance and the department of health shall prioritize a
2 portion of any nonfederal balances in the health professional loan
3 repayment and scholarship fund for conditional loan repayment
4 contracts with psychiatrists and with advanced registered nurse
5 practitioners for work at one of the state-operated psychiatric
6 hospitals. The office and department shall designate the state
7 hospitals as health professional shortage areas if necessary for this
8 purpose. The office shall coordinate with the department of social
9 and health services to effectively incorporate three conditional loan
10 repayments into the department's advanced psychiatric professional
11 recruitment and retention strategies. The office may use these
12 targeted amounts for other program participants should there be any
13 remaining amounts after eligible psychiatrists and advanced
14 registered nurse practitioners have been served. The office shall
15 also work to prioritize loan repayments to professionals working at
16 health care delivery sites that demonstrate a commitment to serving
17 uninsured clients. It is the intent of the legislature to provide
18 funding to maintain the current number and amount of awards for the
19 program in the 2019-2021 biennium on the basis of these contractual
20 obligations.

21 (11) \$42,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$42,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for the council to design and
24 implement a program that provides customized information to high-
25 achieving (as determined by local school districts), low-income, high
26 school students. "Low-income" means students who are from low-income
27 families as defined by the education data center in RCW 43.41.400.
28 For the purposes of designing, developing, and implementing the
29 program, the council shall partner with a national entity that offers
30 aptitude tests and shall consult with institutions of higher
31 education with a physical location in Washington. The council shall
32 implement the program no later than fall 2016, giving consideration
33 to spring mailings in order to capture early action decisions offered
34 by institutions of higher education and nonprofit baccalaureate
35 degree-granting institutions. The information packet for students
36 must include at a minimum:

- 37 (a) Materials that help students to choose colleges;
- 38 (b) An application guidance booklet;
- 39 (c) Application fee waivers, if available, for four-year
- 40 institutions of higher education and independent nonprofit

1 baccalaureate degree-granting institutions in the state that enable
2 students receiving a packet to apply without paying application fees;

3 (d) Information on college affordability and financial aid that
4 includes information on the net cost of attendance for each four-year
5 institution of higher education and each nonprofit baccalaureate
6 degree-granting institution, and information on merit and need-based
7 aid from federal, state, and institutional sources; and

8 (e) A personally addressed cover letter signed by the governor
9 and the president of each four-year institution of higher education
10 and nonprofit baccalaureate degree-granting institution in the state.

11 (12) \$500,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for implementation of House Bill No.
13 1452 (opportunity scholarship program). If the bill is not enacted by
14 June 30, 2018, the amount provided in this subsection shall lapse.

15 (13) \$500,000 of the general fund—state appropriation for fiscal
16 year 2019 is provided solely for implementation of Substitute Senate
17 Bill No. 6514 (higher education behavioral health). If the bill is
18 not enacted by June 30, 2018, the amount provided in this subsection
19 shall lapse.

20 (14) \$100,000 of the general fund—state appropriation for fiscal
21 year 2019 is provided solely for implementation of Engrossed Second
22 Substitute House Bill No. 1561 (open educational resources). If the
23 bill is not enacted by June 30, 2018, the amount provided in this
24 subsection shall lapse.

25 **Sec. 610.** 2017 3rd sp.s. c 1 s 614 (uncodified) is amended to
26 read as follows:

27 **FOR THE WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD**

| | | | |
|----|--|-----------|-------------------------------|
| 28 | General Fund—State Appropriation (FY 2018) | | ((\$1,881,000)) |
| 29 | | | <u>\$1,844,000</u> |
| 30 | General Fund—State Appropriation (FY 2019) | | ((\$1,795,000)) |
| 31 | | | <u>\$1,994,000</u> |
| 32 | General Fund—Federal Appropriation | | ((\$55,279,000)) |
| 33 | | | <u>\$55,275,000</u> |
| 34 | General Fund—Private/Local Appropriation | | \$208,000 |
| 35 | <u>Pension Funding Stabilization Account—State</u> | | |
| 36 | <u>Appropriation.</u> | | <u>\$176,000</u> |
| 37 | TOTAL APPROPRIATION. | | ((\$59,163,000)) |
| 38 | | | <u>\$59,497,000</u> |

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

3 (1) For the 2017-2019 fiscal biennium the board shall not
4 designate recipients of the Washington award for vocational
5 excellence or recognize them at award ceremonies as provided in RCW
6 28C.04.535.

7 (2) The health workforce council of the state workforce training
8 and education coordinating board, in partnership with work underway
9 with the office of the governor, shall, within resources available
10 for such purpose, but not to exceed \$250,000, assess workforce
11 shortages across behavioral health disciplines. The board shall
12 create a recommended action plan to address behavioral health
13 workforce shortages and to meet the increased demand for services
14 now, and with the integration of behavioral health and primary care
15 in 2020. The analysis and recommended action plan shall align with
16 the recommendations of the adult behavioral health system task force
17 and related work of the healthier Washington initiative. The board
18 shall consider workforce data, gaps, distribution, pipeline,
19 development, and infrastructure, including innovative high school,
20 postsecondary, and postgraduate programs to evolve, align, and
21 respond accordingly to our state's behavioral health and related and
22 integrated primary care workforce needs. The board will continue its
23 work and submit final recommendations in calendar year 2017.

24 (3) \$22,000 of the general fund—state appropriation for fiscal
25 year 2018 is provided solely for implementation of chapter 154, Laws
26 of 2017 (SSB 5022) (education loan information).

27 (4) \$114,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$57,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for implementation of chapter
30 182, Laws of 2017 (2SSB 5285) (workforce employment sectors study).

31 (5) \$29,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for implementation of Engrossed Second
33 Substitute House Bill No. 1439 (higher education student protection).
34 If the bill is not enacted by June 30, 2018, the amount provided in
35 this subsection shall lapse.

36 (6) \$260,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for implementation of Substitute Senate
38 Bill No. 6544 (future of work task force). If the bill is not enacted
39 by June 30, 2018, the amount provided in this subsection shall lapse.

1 (A) Increasing child care rates comparable to market rates based
2 on the most recent market survey;

3 (B) Increasing access to infant and toddler child care;

4 (C) Increasing access to child care in geographic areas where
5 supply for subsidized child care does not meet the demand;

6 (D) Providing nurse consultation services to licensed providers;

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

10 (F) Meeting new or expanded federal mandates.

11 (ii) The secretary of the department shall consult with the
12 chairs and ranking members of the appropriate policy committees of
13 the legislature prior to submitting the unanticipated receipt.

14 (4)(a) (~~(\$76,650,000)~~) \$78,026,000 of the general fund—federal
15 appropriation is provided solely for the working connections child
16 care program under RCW 43.215.135. In order to not exceed the
17 appropriated amount, the department shall manage the program so that
18 the average monthly caseload does not exceed 33,000 households. The
19 department shall give prioritized access into the program according
20 to the following order:

21 (i) Families applying for or receiving temporary assistance for
22 needy families (TANF);

23 (ii) TANF families curing sanction;

24 (iii) Foster children;

25 (iv) Families that include a child with special needs;

26 (v) Families in which a parent of a child in care is a minor who
27 is not living with a parent or guardian and who is a full-time
28 student in a high school that has a school-sponsored on-site child
29 care center;

30 (vi) Families with a child residing with a biological parent or
31 guardian who have received child protective services, child welfare
32 services, or a family assessment response from the department of
33 social and health services in the past six months, and has received a
34 referral for child care as part of the family's case management; and

35 (vii) Families that received subsidies within the last thirty
36 days and:

37 (A) Have reapplied for subsidies; and

38 (B) Have household income of two hundred percent federal poverty
39 level or below; and

40 (viii) All other eligible families.

1 (b) The department of early learning and the department of social
2 and health services must take immediate action to reduce fraud and
3 overpayments in the working connections child care program. By
4 December 1, 2017, the department must adopt rules to:

5 (i) Require verification of the applicant's household composition
6 in determining eligibility for the working connections child care
7 program. At a minimum, the department of social and health services
8 must consult agency records for the temporary assistance for needy
9 families program, food assistance, medical assistance, and child
10 support enforcement to verify the applicant's household composition
11 and other applicable eligibility criteria whenever possible. In cases
12 where only one parent's name appears on the application and the
13 department of social and health services cannot verify an open child
14 support case or verify household composition through internal agency
15 records, then the applicant must:

16 (A) Provide the name and address of the other parent or indicate,
17 under penalty of perjury, that the other parent's identity or address
18 are unknown to the applicant; and

19 (B) Document the presence or absence of the other parent through
20 acceptable documentation as defined by the department in rule.

21 The department must exempt an applicant from providing
22 information about the other parent if the department of social and
23 health services determines the applicant has good cause not to
24 cooperate. For the purposes of this subsection, "good cause" must
25 include, at a minimum, consideration of the safety of domestic
26 violence victims;

27 (ii) Authorize working connections child care payments to
28 licensed and certified providers and in-home relative child care
29 providers serving eligible consumers who participate in one hundred
30 ten hours or more of approved work or related activities per calendar
31 month within the following categories: (A) Full day care for a non-
32 school-age child, (B) half-day care for a school-age child during the
33 school year, and (C) full day care for a school-age child during
34 school holidays;

35 (iii) Define the occurrence of fraud, an intentional program
36 violation, an unintentional program violation and an administrative
37 error;

38 (iv) Outline the administrative process for determining fraud or
39 an intentional program violation; and

1 (v) Define the progressive disqualification process for providers
2 who commit fraud or intentional program violation(s).

3 (c) The department, in collaboration with the department of
4 social and health services, must submit a preliminary report by
5 December 1, 2017, and a final report by December 1, 2018, to the
6 governor and the appropriate fiscal and policy committees of the
7 legislature on quality control measures for the working connections
8 child care program. The reports must each include:

9 (i) A detailed narrative of the procurement and implementation of
10 an improved time and attendance system, including a detailed
11 accounting of the costs of procurement and implementation;

12 (ii) A comprehensive description of all processes, including
13 computer algorithms and additional rule development, that the
14 department and the department of social and health services plan to
15 establish prior to and after full implementation of the time and
16 attendance system. At a minimum, processes must be designed to:

17 (A) Ensure the department's auditing efforts are informed by
18 regular and continuous alerts of the potential for overpayments;

19 (B) Avoid overpayments to the maximum extent possible and
20 expediently recover overpayments that have occurred;

21 (C) Withhold payment from providers when necessary to incentivize
22 receipt of the necessary documentation to complete an audit;

23 (D) Establish methods for reducing future payments or
24 establishing repayment plans in order to recover any overpayments;

25 (E) Sanction providers, including termination of eligibility, who
26 commit intentional program violations or fail to comply with program
27 requirements, including compliance with any established repayment
28 plans;

29 (F) Consider pursuit of prosecution in cases with fraudulent
30 activity; and

31 (iii) A description of the process by which fraud is identified
32 and how fraud investigations are prioritized and expedited.

33 (d) Beginning July 1, 2018, and annually thereafter, the
34 department, in collaboration with the department of social and health
35 services, must report to the governor and the appropriate fiscal and
36 policy committees of the legislature on the status of overpayments in
37 the working connections child care program. The report must include
38 the following information for the previous fiscal year:

39 (i) A summary of the number of overpayments that occurred;

40 (ii) The reason for each overpayment;

1 (iii) The total cost of overpayments;

2 (iv) A comparison to overpayments that occurred in the past two
3 preceding fiscal years; and

4 (v) Any planned modifications to internal processes that will
5 take place in the coming fiscal year to further reduce the occurrence
6 of overpayments.

7 (5) Within available amounts, the department in consultation with
8 the office of financial management and the department of social and
9 health services shall report enrollments and active caseload for the
10 working connections child care program to the legislative fiscal
11 committees and the legislative-executive WorkFirst oversight task
12 force on an agreed upon schedule. The report shall also identify the
13 number of cases participating in both temporary assistance for needy
14 families and working connections child care. The department must also
15 report on the number of children served through contracted slots.

16 (6) \$1,560,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$6,712,000 of the general fund—federal appropriation
18 are provided solely for the seasonal child care program. If federal
19 sequestration cuts are realized, cuts to the seasonal child care
20 program must be proportional to other federal reductions made within
21 the department.

22 (7) \$4,674,000 of the general fund—state appropriation for fiscal
23 year 2018 is provided solely for the early childhood intervention
24 prevention services (ECLIPSE) program. The department shall contract
25 for ECLIPSE services to provide therapeutic child care and other
26 specialized treatment services to abused, neglected, at-risk, and/or
27 drug-affected children. The department shall ensure that contracted
28 providers pursue receipt of federal funding associated with the early
29 support for infants and toddlers program. Priority for services shall
30 be given to children referred from the department of social and
31 health services children's administration.

32 (8) (~~(\$44,663,000)~~) \$42,707,000 of the general fund—state
33 appropriation for fiscal year 2018 and \$13,954,000 of the general
34 fund—federal appropriation are provided solely to maintain the
35 requirements set forth in chapter 7, Laws of 2015 3rd sp. sess. The
36 department shall place a ten percent administrative overhead cap on
37 any contract entered into with the University of Washington. In its
38 annual report to the governor and the legislature, the department
39 shall report the total amount of funds spent on the quality rating

1 and improvements system and the total amount of funds spent on degree
2 incentives, scholarships, and tuition reimbursements. Of the amounts
3 provided in this subsection, \$386,000 of the general fund—state
4 appropriation for fiscal year 2018 is provided solely for a six
5 percent base rate increase for child care center providers.

6 (9) \$1,728,000 of the general fund—state appropriation for fiscal
7 year 2018 is provided solely for reducing barriers for low-income
8 providers to participate in the early achievers program.

9 (10) \$300,000 of the general fund—state appropriation for fiscal
10 year 2018 is provided solely for a contract with a nonprofit entity
11 experienced in the provision of promoting early literacy for children
12 through pediatric office visits.

13 (11) \$2,000,000 of the education legacy trust account—state
14 appropriation is provided solely for early intervention assessment
15 and services.

16 (12) \$7,979,000 of the general fund—federal appropriation for
17 fiscal year 2018 is provided solely for the department to procure a
18 time and attendance system and are subject to the conditions,
19 limitations, and review provided in section 724 of this act.

20 (13) Information technology projects or investments and proposed
21 projects or investments impacting time capture, payroll and payment
22 processes and systems, eligibility, case management and authorization
23 systems within the department of early learning are subject to
24 technical oversight by the office of the chief information officer.
25 The department must collaborate with the office of the chief
26 information officer to develop a strategic business and technology
27 architecture plan for a child care attendance and billing system that
28 supports a statewide architecture.

29 (14)(a)(i) The department of early learning is required to
30 provide to the education research and data center, housed at the
31 office of financial management, data on all state-funded early
32 childhood programs. These programs include the early support for
33 infants and toddlers, early childhood education and assistance
34 program (ECEAP), and the working connections and seasonal subsidized
35 childcare programs including license exempt facilities or family,
36 friend, and neighbor care. The data provided by the department to the
37 education research data center must include information on children
38 who participate in these programs, including their name and date of

1 birth, and dates the child received services at a particular
2 facility.

3 (ii) ECEAP early learning professionals must enter any new
4 qualifications into the department's professional development
5 registry starting in the 2015-16 school year, and every school year
6 thereafter. By October 2017, and every October thereafter, the
7 department must provide updated ECEAP early learning professional
8 data to the education research data center.

9 (iii) The department must request federally funded head start
10 programs to voluntarily provide data to the department and the
11 education research data center that is equivalent to what is being
12 provided for state-funded programs.

13 (iv) The education research and data center must provide an
14 updated report on early childhood program participation and K-12
15 outcomes to the house of representatives appropriations committee and
16 the senate ways and means committee using available data by November
17 2017 for the school year ending in 2016 and again in March 2018 for
18 the school year ending in 2017.

19 (b) The department, in consultation with the department of social
20 and health services, must withhold payment for services to early
21 childhood programs that do not report on the name, date of birth, and
22 the dates a child received services at a particular facility.

23 (15) The department shall work with state and local law
24 enforcement, federally recognized tribal governments, and tribal law
25 enforcement to develop a process for expediting fingerprinting and
26 data collection necessary to conduct background checks for tribal
27 early learning and child care providers.

28 (16) \$2,651,000 of the general fund—state appropriation for
29 fiscal year 2018 is provided solely for the 2017-2019 collective
30 bargaining agreement covering family child care providers as set
31 forth in section 940 of this act. Funding is contingent upon
32 enactment of Senate Bill No. 5969 (transparency in public employee
33 collective bargaining). If the bill is not enacted by July 31, 2017,
34 the amount provided in this subsection shall lapse. Of the amounts
35 provided in this subsection:

36 (a) \$273,000 is for a base rate increase;

37 (b) \$55,000 is for increasing paid professional development days
38 from three days to five days;

1 (c) \$1,708,000 is for the family child care providers 501c3
2 organization for the substitute pool, training and quality
3 improvement support services, and administration;

4 (d) \$114,000 is for increasing licensing incentive payments; and

5 (e) \$500,000 is for needs based grants.

6 (17) \$175,000 of the general fund—state appropriation for fiscal
7 year 2018 is provided solely for the department to contract with a
8 nonprofit entity that provides quality improvement services to
9 participants in the early achievers program to implement a community-
10 based training module that supports licensed child care providers who
11 have been rated in early achievers and who are specifically
12 interested in serving children in the early childhood education and
13 assistance program. The module must be functionally translated into
14 Spanish and Somali. The module must prepare trainees to administer
15 all aspects of the early childhood education and assistance program
16 for eligible children in their licensed program and must be offered
17 to 105 child care providers to serve children eligible for the early
18 childhood education and assistance program by June 30, 2019.

19 (18) \$750,000 of the general fund—state appropriation for fiscal
20 year 2018 is provided solely for the implementation of the early
21 achievers expanded learning opportunity quality initiative pursuant
22 to RCW 43.215.100(3)(d).

23 (19) \$267,000 of the general fund—state appropriation for fiscal
24 year 2018 is provided solely for implementation of chapter 236, Laws
25 of 2017 (SHB 1445) (dual language in early learning & K-12).

26 (20) \$100,000 of the general fund—state appropriation for fiscal
27 year 2018 is provided solely for implementation of chapter 202, Laws
28 of 2017 (E2SHB 1713) (children's mental health).

29 (21) \$5,000 of the general fund—state appropriation for fiscal
30 year 2018 is provided solely for a child care workforce development
31 technical work group to develop recommendations to support increased
32 child care workforce wages, reduce turnover, enable child care
33 providers to recruit more qualified educators, and maintain the
34 diversity of the current workforce.

35 (a) The department shall convene and provide staff support for
36 the technical work group. The department shall consult with advocates
37 and stakeholders of the early learning workforce when selecting
38 members for the technical work group. Membership of the work group

1 must consist of representatives from the following organizations and
2 entities:

3 (i) The statewide child care resource and referral network;

4 (ii) The department;

5 (iii) The department of commerce;

6 (iv) The economic opportunity institute;

7 (v) A coalition of organizations representing nonprofits,
8 professional associations, businesses, and industries in early
9 learning;

10 (vi) The state board for community and technical colleges;

11 (vii) A union representing child care workers;

12 (viii) The small business administration;

13 (ix) A member consisting of either an economist or a
14 representative of the workforce development councils;

15 (x) A representative from an early childhood education and
16 assistance program;

17 (xi) A representative from a nonprofit child care center;

18 (xii) A representative from a private child care center; and

19 (xiii) A representative from an organization that provides
20 culturally responsive services for early learning programs in
21 communities with high numbers of families whose primary language is
22 not English.

23 (b) Members of the work group may be reimbursed for travel
24 expenses as provided in RCW 43.03.050 and 43.03.060. Funding in this
25 subsection is provided solely for travel reimbursement of work group
26 members and other costs to conduct the meetings. Funding provided in
27 this subsection may not be used to contract for facilitation.

28 (c) The work group shall issue a report with recommendations and
29 an implementation plan to the governor and appropriate committees of
30 the legislature by December 1, 2018.

31 (22) \$317,000 of the general fund—state appropriation for fiscal
32 year 2018 is provided solely for implementation of chapter 162, Laws
33 of 2017 (SSB 5357) (outdoor early learning programs).

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

39 (i) Employees are similarly employed if the individuals work for
40 the same employer, the performance of the job requires comparable

1 skill, effort, and responsibility, and the jobs are performed under
2 similar working conditions. Job titles alone are not determinative of
3 whether employees are similarly employed;

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

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

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

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

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

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

23 **Sec. 612.** 2017 3rd sp.s. c 1 s 616 (uncodified) is amended to
24 read as follows:

25 **FOR THE STATE SCHOOL FOR THE BLIND**

| | | | |
|----|--|-----------|-------------------------------|
| 26 | General Fund—State Appropriation (FY 2018) | | ((\$6,976,000)) |
| 27 | | | <u>\$6,977,000</u> |
| 28 | General Fund—State Appropriation (FY 2019) | | ((\$7,427,000)) |
| 29 | | | <u>\$7,569,000</u> |
| 30 | General Fund—Private/Local Appropriation | | \$34,000 |
| 31 | <u>Pension Funding Stabilization Account—State</u> | | |
| 32 | <u>Appropriation.</u> | | \$591,000 |
| 33 | TOTAL APPROPRIATION. | | ((\$14,437,000)) |
| 34 | | | <u>\$15,171,000</u> |

35 The appropriations in this section are subject to the following
36 conditions and limitations: Funding provided in this section is
37 sufficient for the school to offer to students enrolled in grades
38 nine through twelve for full-time instructional services at the

1 Vancouver campus with the opportunity to participate in a minimum of
2 one thousand eighty hours of instruction and the opportunity to earn
3 twenty-four high school credits.

4 **Sec. 613.** 2017 3rd sp.s. c 1 s 617 (uncodified) is amended to
5 read as follows:

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

| | | | |
|----|--|-----------|-------------------------------|
| 8 | General Fund—State Appropriation (FY 2018) | | ((\$10,646,000)) |
| 9 | | | <u>\$10,293,000</u> |
| 10 | General Fund—State Appropriation (FY 2019) | | ((\$11,679,000)) |
| 11 | | | <u>\$11,564,000</u> |
| 12 | <u>Pension Funding Stabilization Account—State</u> | | |
| 13 | Appropriation. | | \$727,000 |
| 14 | TOTAL APPROPRIATION. | | ((\$22,325,000)) |
| 15 | | | <u>\$22,584,000</u> |

16 The appropriations in this section are subject to the following
17 conditions and limitations: Funding provided in this section is
18 sufficient for the center to offer to students enrolled in grades
19 nine through twelve for full-time instructional services at the
20 Vancouver campus with the opportunity to participate in a minimum of
21 one thousand eighty hours of instruction and the opportunity to earn
22 twenty-four high school credits.

23 **Sec. 614.** 2017 3rd sp.s. c 1 s 618 (uncodified) is amended to
24 read as follows:

25 **FOR THE WASHINGTON STATE ARTS COMMISSION**

| | | | |
|----|--|-----------|------------------------------|
| 26 | General Fund—State Appropriation (FY 2018) | | ((\$1,497,000)) |
| 27 | | | <u>\$1,418,000</u> |
| 28 | General Fund—State Appropriation (FY 2019) | | ((\$1,514,000)) |
| 29 | | | <u>\$1,572,000</u> |
| 30 | General Fund—Federal Appropriation | | ((\$2,124,000)) |
| 31 | | | <u>\$2,122,000</u> |
| 32 | General Fund—Private/Local Appropriation | | ((\$16,000)) |
| 33 | | | <u>\$50,000</u> |
| 34 | <u>Pension Funding Stabilization Account—State</u> | | |
| 35 | Appropriation. | | \$122,000 |
| 36 | TOTAL APPROPRIATION. | | ((\$5,151,000)) |
| 37 | | | <u>\$5,284,000</u> |

1 The appropriations in this section are subject to the following
2 conditions and limitations: (~~(\$78,000)~~) \$58,000 of the general fund—
3 state appropriation for fiscal year 2018 and (~~(\$78,000)~~) \$98,000 of
4 the general fund—state appropriation for fiscal year 2019 are
5 provided solely to implement chapter 240, Laws of 2017 (creative
6 districts).

7 **Sec. 615.** 2017 3rd sp.s. c 1 s 619 (uncodified) is amended to
8 read as follows:

9 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

| | | | |
|----|--|-----------|------------------------------|
| 10 | General Fund—State Appropriation (FY 2018) | | ((\$2,505,000)) |
| 11 | | | <u>\$2,474,000</u> |
| 12 | General Fund—State Appropriation (FY 2019) | | ((\$2,603,000)) |
| 13 | | | <u>\$2,833,000</u> |
| 14 | <u>Pension Funding Stabilization Account—State</u> | | |
| 15 | <u>Appropriation.</u> | | \$230,000 |
| 16 | TOTAL APPROPRIATION. | | ((\$5,108,000)) |
| 17 | | | <u>\$5,537,000</u> |

18 The appropriations in this section are subject to the following
19 conditions and limitations: \$22,000 of the general fund—state
20 appropriation for fiscal year 2018 and \$138,000 of the general fund—
21 state appropriation for fiscal year 2019 are provided solely to
22 commemorate the centennial of national women's suffrage.

23 **Sec. 616.** 2017 3rd sp.s. c 1 s 620 (uncodified) is amended to
24 read as follows:

25 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

| | | | |
|----|--|-----------|------------------------------|
| 26 | General Fund—State Appropriation (FY 2018) | | ((\$1,991,000)) |
| 27 | | | <u>\$1,926,000</u> |
| 28 | General Fund—State Appropriation (FY 2019) | | ((\$2,044,000)) |
| 29 | | | <u>\$2,092,000</u> |
| 30 | <u>Pension Funding Stabilization Account—State</u> | | |
| 31 | <u>Appropriation.</u> | | \$213,000 |
| 32 | TOTAL APPROPRIATION. | | ((\$4,035,000)) |
| 33 | | | <u>\$4,231,000</u> |

(End of part)

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

Table with 2 columns: Description and Amount. Rows include General Fund—State Appropriation (FY 2018), General Fund—State Appropriation (FY 2019), State Building Construction Account—State Appropriation, Columbia River Basin Water Supply—State Appropriation, State Taxable Building Construction Account—State Appropriation, Debt-Limit Reimbursable Bond Retire Account—State Appropriation, and TOTAL APPROPRIATION.

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

Table with 2 columns: Description and Amount. Rows include General Fund—State Appropriation (FY 2018), General Fund—State Appropriation (FY 2019), State Building Construction Account—State Appropriation, Columbia River Basin Water Supply—State Appropriation, Columbia River Basin Taxable Bond Water Supply—State Appropriation, and State Taxable Building Construction Account—State Appropriation.

1 TOTAL APPROPRIATION. ((~~\$5,214,000~~))
2 \$5,213,000

3 NEW SECTION. Sec. 703. A new section is added to 2017 3rd sp.s.
4 c 1 (uncodified) to read as follows:

5 **FOR SUNDRY CLAIMS**

6 The following sums, or so much thereof as may be necessary, are
7 appropriated from the general fund for fiscal year 2018, unless
8 otherwise indicated, for relief of various individuals, firms, and
9 corporations for sundry claims.

10 (1) These appropriations are to be disbursed on vouchers approved
11 by the director of the department of enterprise services, except as
12 otherwise provided, for reimbursement of criminal defendants
13 acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as
14 follows:

- 15 (a) John Weiler, claim number 99970144. \$7,975
- 16 (b) Samson Asfaw, claim number 99970145. \$18,873
- 17 (c) Kevon Turner, claim number 99970147. \$9,750
- 18 (d) Arthur Eshe, claim number 99970148. \$12,900
- 19 (e) Woody J. Pierson, claim number 99970235. \$19,789
- 20 (f) Steve Sainsbury, claim number 99970236. \$10,000

21 (2) These appropriations are to be disbursed on vouchers approved
22 by the director of the department of enterprise services, except as
23 otherwise provided, for payment of compensation for wrongful
24 convictions pursuant to RCW 4.100.060, as follows:

25 Robert Larson, Tyler Gassman, and Paul Statler, claim numbers
26 99970072-99970074. \$79,000

27 NEW SECTION. Sec. 704. A new section is added to 2017 3rd sp.s.
28 c 1 (uncodified) to read as follows:

29 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—SCHOOL EMPLOYEES' INSURANCE**
30 **ADMINISTRATIVE ACCOUNT**

31 General Fund—State Appropriation (FY 2018). \$11,307,000
32 General Fund—State Appropriation (FY 2019). \$17,423,000
33 TOTAL APPROPRIATION. \$28,730,000

34 The appropriation in this section is subject to the following
35 conditions and limitations: The appropriations in this section, or so
36 much thereof as may be necessary, are provided solely for expenditure
37 into the school employees' insurance administrative account for

1 start-up costs for the school employees' benefits program pursuant to
 2 chapter 13, Laws of 2017 3rd sp. sess. It is the intent of the
 3 legislature that this amount, plus interest as determined by the
 4 treasurer, be repaid to the general fund—state during the 2019-2021
 5 fiscal biennium.

6 **Sec. 705.** 2017 3rd sp.s. c 1 s 708 (uncodified) is amended to
 7 read as follows:

8 **FOR THE STATE TREASURER—COUNTY PUBLIC HEALTH ASSISTANCE**

| | | | |
|----|--|-----------|--------------|
| 9 | General Fund—State Appropriation (FY 2018) | | \$36,386,000 |
| 10 | General Fund—State Appropriation (FY 2019) | | \$36,386,000 |
| 11 | TOTAL APPROPRIATION. | | \$72,772,000 |

12 The appropriations in this section are subject to the following
 13 conditions and limitations: The state treasurer shall distribute the
 14 appropriations to the following counties and health districts in the
 15 amounts designated to support public health services, including
 16 public health nursing:

| 17 | Health District | FY 2018 | FY 2019 | 2017-2019 |
|----|--|----------------|----------------|------------------|
| 18 | | | | Biennium |
| 19 | ((Adams County Health District)) <u>Adams County</u> | \$121,213 | \$121,213 | \$242,426 |
| 20 | <u>Integrated Health Care Services</u> | | | |
| 21 | Asotin County Health District | \$159,890 | \$159,890 | \$319,780 |
| 22 | Benton-Franklin Health District | \$1,614,337 | \$1,614,337 | \$3,228,674 |
| 23 | Chelan-Douglas Health District | \$399,634 | \$399,634 | \$799,268 |
| 24 | Clallam County Health and Human Services Department | \$291,401 | \$291,401 | \$582,802 |
| 25 | ((Clark County Health District)) <u>Clark County Public</u> | \$1,767,341 | \$1,767,341 | \$3,534,682 |
| 26 | <u>Health</u> | | | |
| 27 | ((Skamania County Health Department)) <u>Skamania</u> | \$111,327 | \$111,327 | \$222,654 |
| 28 | <u>County Community Health</u> | | | |
| 29 | Columbia County Health District | \$119,991 | \$119,991 | \$239,982 |
| 30 | ((Cowlitz County Health Department)) <u>Cowlitz County</u> | \$477,981 | \$477,981 | \$955,962 |
| 31 | <u>Health and Human Services</u> | | | |
| 32 | Garfield County Health District | \$93,154 | \$93,154 | \$186,308 |
| 33 | Grant County Health District | \$297,761 | \$297,761 | \$595,522 |
| 34 | ((Grays Harbor Health Department)) <u>Grays Harbor</u> | \$335,666 | \$335,666 | \$671,332 |
| 35 | <u>Public Health and Social Services</u> | | | |

| | | | | |
|----|---|--------------|--------------|--------------|
| 1 | Island County Health Department | \$255,224 | \$255,224 | \$510,448 |
| 2 | ((Jefferson County Health and Human Services)) | \$184,080 | \$184,080 | \$368,160 |
| 3 | <u>Jefferson County Public Health</u> | | | |
| 4 | ((Seattle-King County Department of Public Health)) | \$12,685,521 | \$12,685,521 | \$25,371,042 |
| 5 | <u>Public Health - Seattle & King County</u> | | | |
| 6 | ((Bremerton-Kitsap County Health District)) <u>Kitsap</u> | \$997,476 | \$997,476 | \$1,994,952 |
| 7 | <u>Public Health District</u> | | | |
| 8 | Kittitas County <u>Public Health</u> ((Department)) | \$198,979 | \$198,979 | \$397,958 |
| 9 | Klickitat County <u>Public Health</u> ((Department)) | \$153,784 | \$153,784 | \$307,568 |
| 10 | ((Lewis County Health Department)) <u>Lewis County</u> | \$263,134 | \$263,134 | \$526,268 |
| 11 | <u>Public Health and Social Services</u> | | | |
| 12 | Lincoln County Health Department | \$113,917 | \$113,917 | \$227,834 |
| 13 | ((Mason County Department of Health Services)) | \$227,448 | \$227,448 | \$454,896 |
| 14 | <u>Mason County Public Health and Human Services</u> | | | |
| 15 | ((Okanogan County Health District)) <u>Okanogan County</u> | \$169,882 | \$169,882 | \$339,764 |
| 16 | <u>Public Health</u> | | | |
| 17 | ((Pacific County Health Department)) <u>Pacific County</u> | \$169,075 | \$169,075 | \$338,150 |
| 18 | <u>Health and Human Services</u> | | | |
| 19 | Tacoma-Pierce County Health Department | \$4,143,169 | \$4,143,169 | \$8,286,338 |
| 20 | San Juan County Health and Community Services | \$126,569 | \$126,569 | \$253,138 |
| 21 | Skagit County Health Department | \$449,745 | \$449,745 | \$899,490 |
| 22 | Snohomish Health District | \$3,433,291 | \$3,433,291 | \$6,866,582 |
| 23 | ((Spokane County Health District)) <u>Spokane Regional</u> | \$2,877,318 | \$2,877,318 | \$5,754,636 |
| 24 | <u>Health District</u> | | | |
| 25 | Northeast Tri-County Health District | \$249,303 | \$249,303 | \$498,606 |
| 26 | ((Thurston County Health Department)) <u>Thurston</u> | \$1,046,897 | \$1,046,897 | \$2,093,794 |
| 27 | <u>County Public Health and Social Services</u> | | | |
| 28 | ((Wahkiakum County Health Department)) <u>Wahkiakum</u> | \$93,181 | \$93,181 | \$186,362 |
| 29 | <u>County Health and Human Services</u> | | | |
| 30 | ((Walla Walla County-City Health Department)) <u>Walla</u> | \$302,173 | \$302,173 | \$604,346 |
| 31 | <u>Walla County Department of Community Health</u> | | | |
| 32 | Whatcom County Health Department | \$1,214,301 | \$1,214,301 | \$2,428,602 |
| 33 | Whitman County Health Department | \$189,355 | \$189,355 | \$378,710 |
| 34 | Yakima Health District | \$1,052,482 | \$1,052,482 | \$2,104,964 |

1 TOTAL APPROPRIATIONS \$36,386,000 \$36,386,000 \$72,772,000

2 **Sec. 706.** 2017 3rd sp.s. c 1 s 720 (uncodified) is amended to
3 read as follows:

4 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—ANDY HILL CANCER RESEARCH**
5 **ENDOWMENT FUND MATCH TRANSFER ACCOUNT**

6 General Fund—State Appropriation (FY 2018) \$5,000,000
7 General Fund—State Appropriation (FY 2019). \$4,000,000
8 TOTAL APPROPRIATION. \$9,000,000

9 The appropriations in this section are subject to the following
10 conditions and limitations: The appropriation in this section is
11 provided solely for expenditure into the Andy Hill cancer research
12 endowment fund match transfer account per RCW 43.348.080 to fund the
13 Andy Hill cancer research endowment program.

14 **Sec. 707.** 2017 3rd sp.s. c 1 s 721 (uncodified) is amended to
15 read as follows:

16 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—HOME VISITING SERVICES ACCOUNT**

17 General Fund—State Appropriation (FY 2018) \$691,000
18 General Fund—State Appropriation (FY 2019) (~~(\$744,000)~~)
19 \$3,043,000
20 TOTAL APPROPRIATION. (~~(\$1,435,000)~~)
21 \$3,734,000

22 The appropriations in this section are subject to the following
23 conditions and limitations: The appropriations are provided solely
24 for expenditure into the home visiting services account for the home
25 visiting program.

26 **Sec. 708.** 2017 3rd sp.s. c 1 s 722 (uncodified) is amended to
27 read as follows:

28 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—HEALTH PROFESSIONS ACCOUNT**

29 Dedicated Marijuana Account—State Appropriation
30 (FY 2018) (~~(\$352,000)~~)
31 \$2,652,000
32 Dedicated Marijuana Account—State Appropriation
33 (FY 2019) \$352,000
34 TOTAL APPROPRIATION. (~~(\$704,000)~~)
35 \$3,004,000

1 The appropriations in this section are subject to the following
2 conditions and limitations: The appropriations are provided solely
3 for expenditure into the health professions account to reimburse the
4 account for costs incurred by the department of health for the
5 development and administration of the marijuana authorization
6 database.

7 **Sec. 709.** 2017 3rd sp.s. c 1 s 723 (uncodified) is amended to
8 read as follows:

9 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—LEASE COST POOL**

| | | |
|----|--|------------------------------|
| 10 | General Fund—State Appropriation (FY 2018) | ((\$9,712,000)) |
| 11 | | <u>\$5,312,000</u> |
| 12 | <u>General Fund—State Appropriation (FY 2019).</u> | \$4,400,000 |
| 13 | General Fund—Federal Appropriation | \$2,431,000 |
| 14 | TOTAL APPROPRIATION. | \$12,143,000 |

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

17 (1) The appropriations in this section are provided solely for
18 expenditure into the state agency office relocation pool account
19 (~~created in section 949 of this act for state agency office~~
20 ~~relocation costs as shown in LEAP omnibus document LEAS2-2017, dated~~
21 ~~March 14, 2017, which is hereby incorporated by reference. To~~
22 ~~facilitate the transfer of moneys from other funds and accounts that~~
23 ~~are associated with office relocations contained in LEAP omnibus~~
24 ~~document LEAS-2017, dated March 14, 2017, the state treasurer is~~
25 ~~directed to transfer moneys from other funds and accounts in an~~
26 ~~amount not to exceed \$2,431,000 to the lease cost pool in accordance~~
27 ~~with schedules provided by the office of financial management)).~~

28 (2) Agencies may apply to the office of financial management to
29 receive funds from the state agency office relocation pool account in
30 an amount not to exceed the actual costs for the office relocations.

31 NEW SECTION. **Sec. 710.** 2017 3rd sp.s. c 1 s 737 (uncodified) is
32 repealed.

33 NEW SECTION. **Sec. 711.** A new section is added to 2017 3rd sp.s.
34 c 1 (uncodified) to read as follows:

35 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—JUDICIAL INFORMATION SYSTEMS**
36 **ACCOUNT**

1 General Fund—State Appropriation (FY 2019) \$2,665,000

2 The appropriation in this section is subject to the following
3 conditions and limitations: The appropriation is provided solely for
4 expenditure into the judicial information systems account.

5 NEW SECTION. **Sec. 712.** A new section is added to 2017 3rd sp.s.
6 c 1 (uncodified) to read as follows:

7 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—JUDICIAL STABILIZATION TRUST**
8 **ACCOUNT**

9 General Fund—State Appropriation (FY 2019) \$1,600,000

10 The appropriation in this section is subject to the following
11 conditions and limitations: The appropriation is provided solely for
12 expenditure into the judicial stabilization trust account.

13 **Sec. 713.** 2017 3rd sp.s. c 1 s 724 (uncodified) is amended to
14 read as follows:

15 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—INFORMATION TECHNOLOGY**
16 **INVESTMENT POOL**

| | | |
|----|--|--------------|
| 17 | <u>General Fund—State Appropriation (FY 2018).</u> | \$6,000,000 |
| 18 | General Fund—State Appropriation (FY 2019). | \$8,226,000 |
| 19 | <u>General Fund—Federal Appropriation.</u> | \$816,000 |
| 20 | <u>Other Appropriated Funds.</u> | \$103,000 |
| 21 | <u>TOTAL APPROPRIATION.</u> | \$15,145,000 |

22 (1) The appropriations in this section (~~(is)~~) are provided solely
23 for expenditure into the information technology investment revolving
24 account created in (~~(section 950 of this act)~~) RCW 43.41.433.

25 (a) Amounts in the account are provided solely for the following
26 information technology projects:

27 (i) Department of services for the blind - business management
28 system;

29 (ii) Secretary of state - modernize elections system;

30 (iii) Office of the superintendent of public instruction - school
31 financial system redesign;

32 (iv) Department of social and health services - time, leave,
33 attendance scheduling;

34 (v) Human rights commission - new case management database;

35 (vi) Department of health - syringe service data tracking;

1 (vii) Department of fish and wildlife - enforcement records
2 management;

3 (viii) Department of fish and wildlife - rebuild WDFW network
4 infrastructure;

5 (ix) Washington state patrol - dedicated state network;

6 (x) Office of the superintendent of public instruction - data
7 center migration;

8 (xi) Office of the superintendent of public instruction - web
9 site upgrade for ADA compliance.

10 (b) To facilitate the transfer of moneys from other funds and
11 accounts that are associated with projects listed in (a)(i) through
12 (~~(+iii+)~~) (xi) of this subsection, the state treasurer must transfer
13 moneys from other funds and accounts to the information technology
14 investment revolving account in accordance with schedules provided by
15 the office of financial management.

16 (2) Agencies may apply to the office of financial management to
17 receive funding from the information technology investment revolving
18 account.

19 (3) Agencies must apply to the office of the state chief
20 information officer for approval before proceeding with each stage of
21 a project subject to this section. At each stage, the office of the
22 state chief information officer must certify that the project
23 complies with state information technology and security policy and
24 strategies. Allocations and allotments may be made only during
25 discrete stages of projects, which at a minimum must include a
26 planning stage, procurement stage, and implementation and integration
27 stage. Prior to an allocation or allotment of funds to an agency, the
28 office of financial management, jointly with the office of the chief
29 information officer, must deliver to the legislative fiscal
30 committees the following information for each project receiving an
31 allocation:

32 (a) A technology budget using a method similar to the state
33 capital budget, identifying project costs, funding sources, and
34 anticipated deliverables through each stage of the investment and
35 across fiscal periods and biennia from project initiation to
36 implementation. If the project affects more than one agency, a
37 technology budget must be prepared for each agency;

38 (b) The technology implementation plan that includes:

39 (i) An organizational chart of the project management team that
40 identifies team members and their roles and responsibilities;

1 (ii) The office of the chief information officer staff assigned
2 to the project;

3 (iii) An implementation schedule covering activities, critical
4 milestones, and deliverables at each stage of the project for the
5 life of the project at each agency affected by the project; and

6 (iv) Performance measures used to determine that the project is
7 on time, within budget, and meeting expectations for quality of work
8 product.

9 (c) A letter from the office of the chief information officer
10 certifying that:

11 (i) The project is consistent with the state's enterprise
12 architecture and other policies developed by the office of the chief
13 information officer;

14 (ii) The agency has the organizational capacity, preparedness,
15 and leadership to implement the project successfully;

16 (iii) The agency has adequately assessed and minimized the risks
17 inherent with the project;

18 (iv) The project has the management, staffing, and oversight
19 resources needed for the cost, complexity, and risks associated with
20 the project;

21 (v) The project has implementation schedules and performance
22 measures for timeliness, deliverables, quality, and budget;

23 (vi) The agency has an adequate risk management plan that also
24 enables the office of the chief information officer to assess,
25 intervene, and take necessary action when performance measures are
26 not being met; and

27 (vii) For any investment that does not use commercial off-the-
28 shelf or software as a service technology solution, the proposed
29 project represents the best business solution and should not be
30 delayed.

31 (4) For any project that exceeds two million dollars in total
32 funds to complete, requires more than one biennium to complete, or is
33 financed through financial contracts, bonds, or other indebtedness:

34 (i) Quality assurance for the project must report independently
35 to the office of the chief information officer;

36 (ii) The office of the chief information officer must review, and
37 if necessary, revise the proposed project to ensure it is flexible
38 and adaptable to advances in technology;

39 (iii) The technology budget must specifically identify the uses
40 of any financing proceeds. No more than thirty percent of the

1 financing proceeds may be used for payroll-related costs for state
2 employees assigned to project management, installation, testing, or
3 training;

4 (iv) The agency must consult with the office of the state
5 treasurer during the competitive procurement process to evaluate
6 early in the process whether products and services to be solicited
7 and the responsive bids from a solicitation may be financed; and

8 (v) The agency must consult with the contracting division of the
9 department of enterprise services for a review of all contracts and
10 agreements related to the project's information technology
11 procurements.

12 (5) The office of the chief information officer may suspend or
13 terminate a project at any time if the office of the chief
14 information officer determines that the project is not meeting or is
15 not expected to meet anticipated performance measures. Once
16 suspension or termination occurs, the agency shall not make
17 additional expenditures on the project without approval of the state
18 chief information officer. If a project is terminated, the office of
19 financial management must terminate the agency's allocation from the
20 information technology investment revolving account and the agency
21 shall return any remaining funds to the account to be reallocated to
22 other projects by the office of financial management.

23 (6) Any cost to administer or implement this section for projects
24 listed in subsection (1) of this section, must be paid from the
25 information technology investment revolving account. For any other
26 information technology project made subject to the conditions,
27 limitations, and review of this section, the cost to implement this
28 section must be paid from the funds for that project.

29 NEW SECTION. **Sec. 714.** A new section is added to 2017 3rd sp.s.
30 c 1 (uncodified) to read as follows:

31 **FOR THE DEPARTMENT OF NATURAL RESOURCES—FOREST FIRE PROTECTION**
32 **ASSESSMENT ACCOUNT**

33 Forest Fire Protection Assessment Account—State

34 Appropriation (FY 2019) \$1,690,000

35 The appropriation in this section is subject to the following
36 conditions and limitations: The appropriation is provided solely for
37 the department of natural resources to increase fire response
38 capability, including upgrading information technology systems and

1 equipment for wildfire and forest health data, training department
2 and fire service personnel, adding fire management staff, and
3 replacing aviation fuel trucks and fire engines.

4 **Sec. 715.** 2017 3rd sp.s. c 1 s 718 (uncodified) is amended to
5 read as follows:

6 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—OUTDOOR EDUCATION AND**
7 **RECREATION ACCOUNT**

| | | | |
|----|--|-----------|-------------|
| 8 | General Fund—State Appropriation (FY 2018) | | \$750,000 |
| 9 | General Fund—State Appropriation (FY 2019) | | \$750,000 |
| 10 | TOTAL APPROPRIATION. | | \$1,500,000 |

11 The appropriations in this section are subject to the following
12 conditions and limitations: The appropriations are provided solely
13 for expenditure into the outdoor education and recreation account for
14 the state parks and recreation commission's outdoor education and
15 recreation program purposes identified in RCW 79A.05.351. Of the
16 amounts appropriated, \$500,000 is provided solely to partner with
17 organizations that employ at least one veteran.

18 **Sec. 716.** 2017 3rd sp.s. c 1 s 718 (uncodified) is amended to
19 read as follows:

20 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—CONTRIBUTIONS TO RETIREMENT**
21 **SYSTEMS**

22 The appropriations in this section are subject to the following
23 conditions and limitations: The appropriations for the law
24 enforcement officers' and firefighters' retirement system shall be
25 made on a monthly basis consistent with chapter 41.45 RCW, and the
26 appropriations for the judges and judicial retirement systems shall
27 be made on a quarterly basis consistent with chapters 2.10 and 2.12
28 RCW.

29 (1) There is appropriated for state contributions to the law
30 enforcement officers' and firefighters' retirement system:

| | | | |
|----|--|-----------|--------------------------------|
| 31 | General Fund—State Appropriation (FY 2018) | | \$70,050,000 |
| 32 | General Fund—State Appropriation (FY 2019) | | ((\$73,350,000)) |
| 33 | | | <u>\$73,650,000</u> |
| 34 | TOTAL APPROPRIATION. | | ((\$143,400,000)) |
| 35 | | | <u>\$143,700,000</u> |

36 The appropriations in this subsection (1) are subject to the
37 following conditions and limitations: \$3,000,000 of the general fund—

1 state appropriation for fiscal year 2019 is provided solely for
2 implementation of Substitute Senate Bill No. 6214 (industrial
3 insurance for PTSD). If the bill is not enacted by June 30, 2018, the
4 amount provided in this subsection shall lapse.

5 (2) There is appropriated for contributions to the judicial
6 retirement system:

| | | | |
|---|--|-----------|--------------|
| 7 | General Fund—State Appropriation (FY 2018) | | \$8,700,000 |
| 8 | General Fund—State Appropriation (FY 2019) | | \$8,400,000 |
| 9 | TOTAL APPROPRIATION. | | \$17,100,000 |

10 (3) There is appropriated for contributions to the judges'
11 retirement system:

| | | | |
|----|--|-----------|-------------|
| 12 | General Fund—State Appropriation (FY 2018) | | \$500,000 |
| 13 | General Fund—State Appropriation (FY 2019) | | \$500,000 |
| 14 | TOTAL APPROPRIATION. | | \$1,000,000 |

15 NEW SECTION. Sec. 717. A new section is added to 2017 3rd sp.s.
16 c 1 (uncodified) to read as follows:

17 **FOR THE GAMBLING COMMISSION**

| | | | |
|----|---|-----------|----------|
| 18 | General Fund—State Appropriation (FY 2019). | | \$50,000 |
|----|---|-----------|----------|

19 The appropriation in this section is subject to the following
20 conditions and limitations: The appropriation in this section is for
21 the gambling commission to contract for a study to analyze the scope
22 of services available for pathological or problem gamblers and their
23 families in the state. The commission will set the parameters of the
24 study which may include, but not be limited to: (1) The availability
25 of prevention programs and services offered within the state; (2) the
26 availability of treatment programs and services offered for
27 individuals with gambling-related problems and their families; and
28 (3) strengths and deficits in problem gambling programs and services.
29 Distribution of these funds is contingent upon securing additional
30 funding for the study from the commission and other governmental or
31 private sources to provide at least one dollar in matching funds for
32 each dollar in state funds received by the commission. The gambling
33 commission shall submit results of the study and any policy
34 recommendations to the legislative committees of jurisdiction by
35 February 15, 2019.

1 NEW SECTION. **Sec. 718.** A new section is added to 2017 3rd sp.s.
2 c 1 (uncodified) to read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—PUBLIC SAFETY EMPLOYEES'**
4 **RETIREMENT SYSTEM**

| | | |
|---|--|---------------|
| 5 | General Fund—State Appropriation (FY 2019) | \$2,900,000 |
| 6 | Special Retirement Contribution Increase Revolving | |
| 7 | Account—State Appropriation. | (\$1,900,000) |
| 8 | TOTAL APPROPRIATION. | \$1,000,000 |

9 The appropriations in this section are subject to the following
10 conditions and limitations: The appropriations are provided solely
11 for allocation to state agencies for costs of revised eligibility
12 criteria for the public safety employees' retirement system as
13 provided in Substitute House Bill No. 1558 (public safety employees
14 retirement system membership). If the bill is not enacted by June 30,
15 2018, the appropriations in this section shall lapse.

(End of part)

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)) |
| | <u>\$9,730,000</u> |
| General Fund Appropriation for prosecuting attorney distributions. | ((\$6,786,000)) |
| | <u>\$6,643,000</u> |
| 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)) |
| | <u>\$30,230,000</u> |
| Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies. | ((\$3,556,000)) |
| | <u>\$3,135,000</u> |
| Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution. | \$140,000 |
| Timber Tax Distribution Account Appropriation for distribution to "timber" counties. | ((\$77,367,000)) |
| | <u>\$68,009,000</u> |
| County Criminal Justice Assistance Appropriation. | ((\$96,145,000)) |
| | <u>\$93,628,000</u> |
| Municipal Criminal Justice Assistance Appropriation. | ((\$38,126,000)) |
| | <u>\$36,908,000</u> |
| 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)) |
| | <u>\$20,549,000</u> |
| Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville | |

| | | |
|----|---|--------------------------------|
| 1 | Reservation. | \$8,074,000 |
| 2 | Columbia River Water Delivery Account Appropriation | |
| 3 | for the Spokane Tribe of Indians. | \$5,402,000 |
| 4 | Liquor Revolving Account Appropriation for liquor | |
| 5 | profits distribution. | \$98,876,000 |
| 6 | General Fund Appropriation for other tax | |
| 7 | distributions. | \$80,000 |
| 8 | General Fund Appropriation for Marijuana Excise | |
| 9 | Tax distributions. | ((\$12,000,000)) |
| 10 | | <u>\$30,000,000</u> |
| 11 | General Fund Appropriation for Habitat Conservation | |
| 12 | Program distributions. | \$5,347,000 |
| 13 | TOTAL APPROPRIATION. | ((\$529,471,000)) |
| 14 | | <u>\$503,969,000</u> |

15 The total expenditures from the state treasury under the
16 appropriations in this section shall not exceed the funds available
17 under statutory distributions for the stated purposes.

18 **Sec. 802.** 2017 3rd sp.s. c 1 s 805 (uncodified) is amended to
19 read as follows:

20 **FOR THE STATE TREASURER—TRANSFERS**

21 Criminal Justice Treatment Account: For transfer to
22 the state general fund, \$4,450,000 for fiscal
23 year 2018 and \$4,450,000 for fiscal year 2019. \$8,900,000
24 Dedicated Marijuana Account: For transfer to
25 the basic health plan trust account, the lesser
26 of the amount determined pursuant to RCW 69.50.540
27 or this amount plus \$40,494,000 for fiscal year
28 2018, ((~~\$170,000,000~~)) \$226,654,000 and this
29 amount for fiscal year 2019,
30 ((~~\$180,000,000~~)) \$194,000,000. ((~~\$350,000,000~~))
31 \$420,654,000

32 Dedicated Marijuana Account: For transfer to
33 the state general fund, the lesser of the amount
34 determined pursuant to RCW 69.50.540 or this amount
35 for fiscal year 2018, ((~~\$120,000,000~~)) \$130,000,000
36 and this amount for fiscal year 2019,
37 ((~~\$130,000,000~~)) \$137,000,000. ((~~\$239,239,000~~))
38 \$267,000,000

1 Aquatic Lands Enhancement Account: For transfer to
2 the clean up settlement account as repayment of
3 the loan provided in section 3022(2) chapter 2,
4 Laws of 2012, 2nd sp. sess. (ESB 6074 2012
5 supplemental capital budget), \$620,000 for fiscal
6 year 2018 and \$620,000 for fiscal year 2019. \$1,240,000
7 Tobacco Settlement Account: For transfer to the
8 state general fund, in an amount not to exceed the
9 actual amount of the annual base payment to the
10 tobacco settlement account for fiscal year 2018. . . \$101,639,000
11 Tobacco Settlement Account: For transfer to the
12 state general fund, in an amount not to exceed the
13 actual amount of the annual base payment to the
14 tobacco settlement account for fiscal year 2019. . . \$101,639,000
15 State Toxics Control Account: For transfer to the
16 cleanup settlement account as repayment of the
17 loan provided in section 3022(2) chapter 2,
18 Laws of 2012, 2nd sp. sess. (ESB 6074, 2012
19 supplemental capital budget), \$620,000 for
20 fiscal year 2018 and \$620,000 for fiscal
21 year 2019. \$1,240,000
22 General Fund: For transfer to the streamlined sales
23 and use tax account, (~~(\$11,171,000)~~) \$12,877,000
24 for fiscal year 2018 and (~~(\$8,641,000)~~) \$7,672,000
25 for fiscal year 2019. (~~(\$20,012,000)~~)
26 \$20,549,000
27 Aerospace Training and Student Loan Account: For
28 transfer to the state general fund, \$750,000
29 for fiscal year 2018 and \$750,000 for fiscal
30 year 2019. \$1,500,000
31 Disaster Response Account: For transfer to the state
32 general fund, \$42,000,000 for fiscal year 2018. . . . \$42,000,000
33 State Treasurer's Service Account: For transfer to the state
34 general fund, \$6,000,000 for fiscal year 2018 and
35 \$6,000,000 for fiscal year 2019. \$12,000,000
36 Statewide Information Tech System Maintenance and
37 Operations Revolving Account: For transfer to the
38 consolidated technology services revolving account,
39 \$5,500,000 for fiscal year 2018. \$5,500,000
40 General Fund: For transfer to the family and medical

1 leave insurance account as start-up costs for
2 the family and medical leave insurance program
3 pursuant to enactment of Substitute House Bill
4 No. 1116 (family and medical leave insurance),
5 Senate Bill No. 5975 (paid family and medical
6 leave insurance), or Senate Bill No. 5032
7 (family and medical leave insurance),
8 \$82,000,000 for fiscal year 2018. \$82,000,000
9 Family and Medical Leave Insurance Account: For
10 transfer to the General Fund as repayment for
11 start-up costs for the family and medical leave
12 insurance program pursuant to implementation of
13 Substitute House Bill No. 1116 (family and
14 medical leave insurance), Senate Bill No. 5975
15 (paid family and medical leave insurance),
16 or Senate Bill No. 5032 (family and medical
17 leave insurance), the lesser of the amount
18 determined by the treasurer for full repayment
19 of the \$82,000,000 transferred from the general
20 fund in fiscal year 2018 for start-up costs
21 with any related interest or this amount for
22 fiscal year 2019, \$90,000,000. \$90,000,000
23 Public Works Assistance Account: For transfer to the
24 education legacy trust account, \$136,998,000 for
25 fiscal year 2018 and \$117,017,000 for fiscal
26 year 2019. \$254,015,000
27 General Fund: For transfer to the firearms range
28 account for fiscal year 2018. \$75,000
29 (~~Death Investigations Account: For transfer to~~
30 ~~the state general fund, \$1,186,000 for~~
31 ~~fiscal year 2018. \$1,186,000~~)
32 New Motor Vehicle Arbitration Account: For transfer
33 to the state general fund, \$2,000,000 for fiscal
34 year 2018. \$2,000,000
35 Local Toxics Control Account: For transfer to the
36 state toxics control account, \$9,000,000 for
37 fiscal year 2018 and \$12,000,000 for fiscal
38 year 2019. \$21,000,000
39 State Toxics Control Account: For transfer to water
40 pollution control revolving account, \$3,000 for

1 fiscal year 2018. \$3,000

2 Aquatic Lands Enhancement Account: For transfer to

3 the geoduck aquaculture research account for

4 fiscal year 2019. \$200,000

5 General Fund: For transfer to the dedicated McCleary

6 penalty account for fiscal year 2018. \$105,200,000

7 The amount transferred represents the monetary

8 sanctions accrued from August 13, 2015, through

9 June 30, 2018, under the order of the state supreme

10 court of August 13, 2015, in *McCleary v. State*.

11 General Fund: For transfer to the disaster response

12 account for fiscal year 2018. \$58,535,000

13 Oil Spill Response Account: For transfer to the oil

14 spill prevention account: \$1,748,000 for fiscal

15 year 2018 and \$2,973,000 for fiscal year 2019. \$4,721,000

16 General Fund: For transfer to the Washington

17 internet crimes against children account for fiscal

18 year 2018. \$1,500,000

19 Funeral and Cemetery Account: For transfer to the

20 skeletal human remains assistance account for fiscal

21 year 2018. \$15,000

22 General Fund: For transfer to the statewide tourism

23 marketing account for fiscal year 2019. \$1,500,000

24 Public Works Administration Account: For transfer to

25 the state general fund for fiscal year 2018. \$1,500,000

(End of part)

PART IX
MISCELLANEOUS

Sec. 901. RCW 43.41.433 and 2017 3rd sp.s. c 1 s 950 are each amended to read as follows:

(1) The information technology investment revolving account is created in the custody of the state treasurer. All receipts from legislative appropriations and transfers must be deposited into the account. Only the director of financial management or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) Any residual balance of funds remaining in the information technology investment revolving account created in section 705, chapter 4, Laws of 2015 3rd sp. sess. and reenacted in subsection (1) of this section shall be transferred to the information technology investment revolving account created in subsection (1) of this section after June 30, 2017.

Sec. 902. 2017 3rd sp.s. c 1 s 936 (uncodified) is amended to read as follows:

**COMPENSATION—REPRESENTED EMPLOYEES—SUPER COALITION—INSURANCE
BENEFITS**

An agreement was reached for the 2017-2019 biennium between the governor and the health care super coalition under the provisions of chapter 41.80 RCW. Appropriations in this act for state agencies, including institutions of higher education, are sufficient to implement the provisions of the 2017-2019 collective bargaining agreement, and are subject to the following conditions and limitations:

(1) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$913 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate shall not exceed (~~(\$957)~~) \$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

1 changes to benefits consistent with RCW 41.05.065. The board shall
2 collect a twenty-five dollar per month surcharge payment from members
3 who use tobacco products and a surcharge payment of not less than
4 fifty dollars per month from members who cover a spouse or domestic
5 partner where the spouse or domestic partner has chosen not to enroll
6 in another employer-based group health insurance that has benefits
7 and premiums with an actuarial value of not less than 95 percent of
8 the actuarial value of the public employees' benefits board plan with
9 the largest enrollment. The surcharge payments shall be collected in
10 addition to the member premium payment.

11 (3) The health care authority shall deposit any moneys received
12 on behalf of the uniform medical plan as a result of rebates on
13 prescription drugs, audits of hospitals, subrogation payments, or any
14 other moneys recovered as a result of prior uniform medical plan
15 claims payments, into the public employees' and retirees' insurance
16 account to be used for insurance benefits. Such receipts may not be
17 used for administrative expenditures.

18 **Sec. 903.** 2017 3rd sp.s. c 1 s 937 (uncodified) is amended to
19 read as follows:

20 **COMPENSATION—REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION—INSURANCE**
21 **BENEFITS**

22 Appropriations for state agencies in this act are sufficient for
23 represented employees outside the super coalition for health
24 benefits, and are subject to the following conditions and
25 limitations:

26 (1) The monthly employer funding rate for insurance benefit
27 premiums, public employees' benefits board administration, and the
28 uniform medical plan, may not exceed \$913 per eligible employee for
29 fiscal year 2018. For fiscal year 2019, the monthly employer funding
30 rate may not exceed (~~(\$957)~~) \$916 per eligible employee.

31 (2) In order to achieve the level of funding provided for health
32 benefits, the public employees' benefits board shall require any or
33 all of the following: Employee premium copayments, increases in
34 point-of-service cost sharing, the implementation of managed
35 competition, or other changes to benefits consistent with RCW
36 41.05.065. The board shall collect a twenty-five dollar per month
37 surcharge payment from members who use tobacco products and a
38 surcharge payment of not less than fifty dollars per month from
39 members who cover a spouse or domestic partner where the spouse or

1 domestic partner has chosen not to enroll in another employer-based
2 group health insurance that has benefits and premiums with an
3 actuarial value of not less than 95 percent of the actuarial value of
4 the public employees' benefits board plan with the largest
5 enrollment. The surcharge payments shall be collected in addition to
6 the member premium payment.

7 (3) The health care authority shall deposit any moneys received
8 on behalf of the uniform medical plan as a result of rebates on
9 prescription drugs, audits of hospitals, subrogation payments, or any
10 other moneys recovered as a result of prior uniform medical plan
11 claims payments, into the public employees' and retirees' insurance
12 account to be used for insurance benefits. Such receipts may not be
13 used for administrative expenditures.

14 **Sec. 904.** 2017 3rd sp.s. c 1 s 942 (uncodified) is amended to
15 read as follows:

16 **COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS**

17 Appropriations for state agencies in this act are sufficient for
18 nonrepresented state employee health benefits for state agencies,
19 including institutions of higher education, and are subject to the
20 following conditions and limitations:

21 (1)(a) The monthly employer funding rate for insurance benefit
22 premiums, public employees' benefits board administration, and the
23 uniform medical plan, may not exceed \$913 per eligible employee for
24 fiscal year 2018. For fiscal year 2019, the monthly employer funding
25 rate may not exceed (~~(\$957)~~) \$916 per eligible employee.

26 (b) In order to achieve the level of funding provided for health
27 benefits, the public employees' benefits board shall require any or
28 all of the following: Employee premium copayments, increases in
29 point-of-service cost sharing, the implementation of managed
30 competition, or make other changes to benefits consistent with RCW
31 41.05.065. The board shall collect a twenty-five dollar per month
32 surcharge payment from members who use tobacco products and a
33 surcharge payment of not less than fifty dollars per month from
34 members who cover a spouse or domestic partner where the spouse or
35 domestic partner has chosen not to enroll in another employer-based
36 group health insurance that has benefits and premiums with an
37 actuarial value of not less than 95 percent of the actuarial value of
38 the public employees' benefits board plan with the largest
39 enrollment. The surcharge payments shall be collected in addition to

1 the member premium payment. All savings resulting from reduced claim
2 costs or other factors identified after December 31, 2016, must be
3 reserved for reducing expenditures in the current biennium, or for
4 funding employee health benefits in the 2019-2021 fiscal biennium,
5 and shall not be used to increase benefits, except as provided in (c)
6 of this subsection.

7 (c) The funding is sufficient for a new virtual diabetes
8 prevention program, and for a change in the waiting period for dental
9 crown replacements in the uniform dental program from seven years to
10 five years.

11 (d) The health care authority shall deposit any moneys received
12 on behalf of the uniform medical plan as a result of rebates on
13 prescription drugs, audits of hospitals, subrogation payments, or any
14 other moneys recovered as a result of prior uniform medical plan
15 claims payments, into the public employees' and retirees' insurance
16 account to be used for insurance benefits. Such receipts may not be
17 used for administrative expenditures.

18 (2) The health care authority, subject to the approval of the
19 public employees' benefits board, shall provide subsidies for health
20 benefit premiums to eligible retired or disabled public employees and
21 school district employees who are eligible for medicare, pursuant to
22 RCW 41.05.085. For calendar year(~~s~~) 2018 (~~and 2019~~), the subsidy
23 shall be up to \$150 per month. For calendar year 2019, the subsidy
24 shall be up to \$168 per month. The public employees' benefits board
25 may not authorize under RCW 41.05.085, and the health care authority
26 may not provide, a subsidy under this subsection of more than \$150
27 per month in calendar year 2018, and \$168 in calendar year 2019.
28 Funds from reserves accumulated for future adverse claims experience,
29 from past favorable claims experience, or otherwise, may not be used
30 to increase this retiree subsidy beyond what is authorized by the
31 legislature in this subsection.

32 (3) Technical colleges, school districts, and educational service
33 districts shall remit to the health care authority for deposit into
34 the public employees' and retirees' insurance account established in
35 RCW 41.05.120 the following amounts:

36 (a) For each full-time employee, \$64.07 per month beginning
37 September 1, 2017, and (~~(\$68.67)~~) \$71.08 beginning September 1, 2018;

38 (b) For each part-time employee, who at the time of the
39 remittance is employed in an eligible position as defined in RCW
40 41.32.010 or 41.40.010 and is eligible for employer fringe benefit

1 contributions for basic benefits, \$64.07 each month beginning
2 September 1, 2017, and (~~(\$68.67)~~) \$71.08 beginning September 1, 2018,
3 prorated by the proportion of employer fringe benefit contributions
4 for a full-time employee that the part-time employee receives. The
5 remittance requirements specified in this subsection do not apply to
6 employees of a technical college, school district, or educational
7 service district who purchase insurance benefits through contracts
8 with the health care authority.

9 **Sec. 905.** RCW 28B.20.476 and 2013 2nd sp.s. c 4 s 960 are each
10 amended to read as follows:

11 The geoduck aquaculture research account is created in the
12 custody of the state treasurer. All receipts from any legislative
13 appropriations, the aquaculture industry, or any other private or
14 public source directed to the account must be deposited in the
15 account. Expenditures from the account may only be used by the sea
16 grant program for the geoduck research projects identified by RCW
17 28B.20.475. Only the president of the University of Washington or the
18 president's designee may authorize expenditures from the account. The
19 account is subject to the allotment procedures under chapter 43.88
20 RCW, but an appropriation is not required for expenditures. During
21 the (~~(2013-2015)~~) 2017-2019 fiscal biennium, amounts available in the
22 geoduck aquaculture research account may also be appropriated for the
23 sea grant program at the University of Washington to conduct research
24 examining the possible negative and positive effects of evolving
25 shellfish aquaculture techniques and practices on Washington's
26 economy and marine ecosystems. It is the intent of the legislature
27 that this policy be continued in future biennia.

28 **Sec. 906.** 2017 3rd sp.s. c 1 s 944 (uncodified) is amended to
29 read as follows:

30 **INITIATIVE 732 COST-OF-LIVING INCREASES**

31 Part IX of this act authorizes general wage increases for state
32 employees covered by Initiative Measure No. 732. The general wage
33 increases on July 1, 2017, and July 1, 2018, provide a portion of the
34 annual cost-of-living adjustments required under Initiative Measure
35 No. 732. Funding is also provided for additional increases of three-
36 tenths of a percent on July 1, 2017, and (~~(seven-tenths-of-a)~~) one
37 percent on July 1, 2018, for cost-of-living adjustments under the
38 initiative. Funding is provided for a salary increase on January 1,

1 2019, of ((one)) seven-tenths of a percent for these employees, for a
2 nominal total of a six percent increase during the 2017-2019 fiscal
3 biennium.

4 NEW SECTION. **Sec. 907.** A new section is added to 2017 3rd sp.s.
5 c 1 (uncodified) to read as follows:

6 A paid family and medical leave program was created by chapter 5,
7 Laws of 2017 3rd sp. sess. The state, as an employer, will be
8 responsible for payment of employer premiums for employees beginning
9 January 1, 2019, other than those covered by a collective bargaining
10 agreement. Funding is provided for this obligation.

11 ***Sec. 908.** RCW 41.26.802 and 2017 3rd sp.s. c 1 s 964 are each
12 amended to read as follows:

13 (1) By September 30, 2011, if the prior fiscal biennium's general
14 state revenues exceed the previous fiscal biennium's revenues by more
15 than five percent, subject to appropriation by the legislature, the
16 state treasurer shall transfer five million dollars to the local
17 public safety enhancement account.

18 (2) By September 30, 2019, and by September 30 of each
19 odd-numbered year thereafter, if the prior fiscal biennium's general
20 state revenues exceed the previous fiscal biennium's revenues by more
21 than five percent, subject to appropriation by the legislature, the
22 state treasurer shall transfer the lesser of one-third of the
23 increase, or fifty million dollars, to the local public safety
24 enhancement account.

25 **(3) It is the intent of the legislature to fund any distribution**
26 **in 2019 and 2021 dedicated to the local law enforcement officers' and**
27 **firefighters' retirement system benefits improvement account through**
28 **alternate means, which may include transfers from the law enforcement**
29 **officers' and firefighters' plan 2 retirement fund.**

**Sec. 908 was partially vetoed. See message at end of chapter.*

30 **Sec. 909.** RCW 69.50.530 and 2016 sp.s. c 36 s 942 are each
31 amended to read as follows:

32 The dedicated marijuana account is created in the state treasury.
33 All moneys received by the state liquor and cannabis board, or any
34 employee thereof, from marijuana-related activities must be deposited
35 in the account. Unless otherwise provided in chapter 4, Laws of 2015
36 2nd sp. sess., all marijuana excise taxes collected from sales of

1 marijuana, useable marijuana, marijuana concentrates, and marijuana-
2 infused products under RCW 69.50.535, and the license fees,
3 penalties, and forfeitures derived under this chapter from marijuana
4 producer, marijuana processor, marijuana researcher, and marijuana
5 retailer licenses, must be deposited in the account. Moneys in the
6 account may only be spent after appropriation. During the 2015-2017
7 and 2017-2019 fiscal (~~biennium~~) biennia, the legislature may
8 transfer from the dedicated marijuana account to the basic health
9 plan trust account such amounts as reflect the excess fund balance of
10 the account.

11 **Sec. 910.** RCW 69.50.540 and 2017 3rd sp.s. c 1 s 979 are each
12 amended to read as follows:

13 The legislature must annually appropriate moneys in the dedicated
14 marijuana account created in RCW 69.50.530 as follows:

15 (1) For the purposes listed in this subsection (1), the
16 legislature must appropriate to the respective agencies amounts
17 sufficient to make the following expenditures on a quarterly basis:

18 (a) Beginning July 1, 2015, one hundred twenty-five thousand
19 dollars to the department of social and health services to design and
20 administer the Washington state healthy youth survey, analyze the
21 collected data, and produce reports, in collaboration with the office
22 of the superintendent of public instruction, department of health,
23 department of commerce, family policy council, and state liquor and
24 cannabis board. The survey must be conducted at least every two years
25 and include questions regarding, but not necessarily limited to,
26 academic achievement, age at time of substance use initiation,
27 antisocial behavior of friends, attitudes toward antisocial behavior,
28 attitudes toward substance use, laws and community norms regarding
29 antisocial behavior, family conflict, family management, parental
30 attitudes toward substance use, peer rewarding of antisocial
31 behavior, perceived risk of substance use, and rebelliousness. Funds
32 disbursed under this subsection may be used to expand administration
33 of the healthy youth survey to student populations attending
34 institutions of higher education in Washington;

35 (b) Beginning July 1, 2015, fifty thousand dollars to the
36 department of social and health services for the purpose of
37 contracting with the Washington state institute for public policy to
38 conduct the cost-benefit evaluation and produce the reports described

1 in RCW 69.50.550. This appropriation ends after production of the
2 final report required by RCW 69.50.550;

3 (c) Beginning July 1, 2015, five thousand dollars to the
4 University of Washington alcohol and drug abuse institute for the
5 creation, maintenance, and timely updating of web-based public
6 education materials providing medically and scientifically accurate
7 information about the health and safety risks posed by marijuana use;

8 (d)(i) An amount not less than one million two hundred fifty
9 thousand dollars to the state liquor and cannabis board for
10 administration of this chapter as appropriated in the omnibus
11 appropriations act; (~~and~~)

12 (ii) (~~Three hundred fifty one thousand seven hundred fifty~~) Two
13 million six hundred fifty-one thousand seven hundred fifty dollars
14 for fiscal year 2018 and three hundred fifty-one thousand seven
15 hundred fifty dollars for fiscal year 2019 to the health professions
16 account established under RCW 43.70.320 for the development and
17 administration of the marijuana authorization database by the
18 department of health(~~(. It is the intent of the legislature that this~~
19 ~~policy will be continued in the 2019-2021 fiscal biennium)~~);

20 (iii) Two million eight hundred three thousand dollars for fiscal
21 year 2019 to the Washington state patrol for a drug enforcement task
22 force. It is the intent of the legislature that this policy will be
23 continued in the 2019-2021 fiscal biennium; and

24 (iv) Ninety-eight thousand dollars for fiscal year 2019 to the
25 department of ecology for research on accreditation of marijuana
26 product testing laboratories.

27 (e) Twenty-three thousand seven hundred fifty dollars to the
28 department of enterprise services provided solely for the state
29 building code council established under RCW 19.27.070, to develop and
30 adopt fire and building code provisions related to marijuana
31 processing and extraction facilities. The distribution under this
32 subsection (1)(e) is for fiscal year 2016 only;

33 (2) From the amounts in the dedicated marijuana account after
34 appropriation of the amounts identified in subsection (1) of this
35 section, the legislature must appropriate for the purposes listed in
36 this subsection (2) as follows:

37 (a)(i) Up to fifteen percent to the department of social and
38 health services division of behavioral health and recovery for the
39 development, implementation, maintenance, and evaluation of programs
40 and practices aimed at the prevention or reduction of maladaptive

1 substance use, substance use disorder, substance abuse or substance
2 dependence, as these terms are defined in the Diagnostic and
3 Statistical Manual of Mental Disorders, among middle school and high
4 school-age students, whether as an explicit goal of a given program
5 or practice or as a consistently corresponding effect of its
6 implementation, mental health services for children and youth, and
7 services for pregnant and parenting women; PROVIDED, That:

8 (A) Of the funds appropriated under (a)(i) of this subsection for
9 new programs and new services, at least eighty-five percent must be
10 directed to evidence-based or research-based programs and practices
11 that produce objectively measurable results and, by September 1,
12 2020, are cost-beneficial; and

13 (B) Up to fifteen percent of the funds appropriated under (a)(i)
14 of this subsection for new programs and new services may be directed
15 to proven and tested practices, emerging best practices, or promising
16 practices.

17 (ii) In deciding which programs and practices to fund, the
18 secretary of the department of social and health services must
19 consult, at least annually, with the University of Washington's
20 social development research group and the University of Washington's
21 alcohol and drug abuse institute.

22 (iii) For the fiscal year beginning July 1, 2016, the legislature
23 must appropriate a minimum of twenty-seven million seven hundred
24 eighty-six thousand dollars, and for each subsequent fiscal year
25 thereafter, the legislature must appropriate a minimum of twenty-five
26 million five hundred thirty-six thousand dollars under this
27 subsection (2)(a);

28 (b)(i) Up to ten percent to the department of health for the
29 following, subject to (b)(ii) of this subsection (2):

30 (A) Creation, implementation, operation, and management of a
31 marijuana education and public health program that contains the
32 following:

33 (I) A marijuana use public health hotline that provides referrals
34 to substance abuse treatment providers, utilizes evidence-based or
35 research-based public health approaches to minimizing the harms
36 associated with marijuana use, and does not solely advocate an
37 abstinence-only approach;

38 (II) A grants program for local health departments or other local
39 community agencies that supports development and implementation of

1 coordinated intervention strategies for the prevention and reduction
2 of marijuana use by youth; and

3 (III) Media-based education campaigns across television,
4 internet, radio, print, and out-of-home advertising, separately
5 targeting youth and adults, that provide medically and scientifically
6 accurate information about the health and safety risks posed by
7 marijuana use;

8 (B) The Washington poison control center; and

9 (C) During the 2015-2017 fiscal biennium, the funds appropriated
10 under this subsection (2)(b) may be used for prevention activities
11 that target youth and populations with a high incidence of tobacco
12 use.

13 (ii) For the fiscal year beginning July 1, 2016, the legislature
14 must appropriate a minimum of seven million five hundred thousand
15 dollars and for each subsequent fiscal year thereafter, the
16 legislature must appropriate a minimum of nine million seven hundred
17 fifty thousand dollars under this subsection (2)(b);

18 (c)(i) Up to six-tenths of one percent to the University of
19 Washington and four-tenths of one percent to Washington State
20 University for research on the short and long-term effects of
21 marijuana use, to include but not be limited to formal and informal
22 methods for estimating and measuring intoxication and impairment, and
23 for the dissemination of such research.

24 (ii) For the fiscal year beginning July 1, 2016, the legislature
25 must appropriate a minimum of two hundred seven thousand dollars and
26 for each subsequent fiscal year, except for the 2017-2019 fiscal
27 biennium, the legislature must appropriate a minimum of one million
28 twenty-one thousand dollars to the University of Washington. For the
29 fiscal year beginning July 1, 2016, the legislature must appropriate
30 a minimum of one hundred thirty-eight thousand dollars and for each
31 subsequent fiscal year thereafter, except for the 2017-2019 fiscal
32 biennium, a minimum of six hundred eighty-one thousand dollars to
33 Washington State University under this subsection (2)(c). It is the
34 intent of the legislature that this policy will be continued in the
35 2019-2021 fiscal biennium;

36 (d) Fifty percent to the state basic health plan trust account to
37 be administered by the Washington basic health plan administrator and
38 used as provided under chapter 70.47 RCW;

39 (e) Five percent to the Washington state health care authority to
40 be expended exclusively through contracts with community health

1 centers to provide primary health and dental care services, migrant
2 health services, and maternity health care services as provided under
3 RCW 41.05.220;

4 (f)(i) Up to three-tenths of one percent to the office of the
5 superintendent of public instruction to fund grants to building
6 bridges programs under chapter 28A.175 RCW.

7 (ii) For the fiscal year beginning July 1, 2016, and each
8 subsequent fiscal year, the legislature must appropriate a minimum of
9 five hundred eleven thousand dollars to the office of the
10 superintendent of public instruction under this subsection (2)(f);
11 and

12 (g) At the end of each fiscal year, the treasurer must transfer
13 any amounts in the dedicated marijuana account that are not
14 appropriated pursuant to subsection (1) of this section and this
15 subsection (2) into the general fund, except as provided in (g)(i) of
16 this subsection (2).

17 (i) Beginning in fiscal year 2018, if marijuana excise tax
18 collections deposited into the general fund in the prior fiscal year
19 exceed twenty-five million dollars, then each fiscal year the
20 legislature must appropriate an amount equal to thirty percent of all
21 marijuana excise taxes deposited into the general fund the prior
22 fiscal year to the treasurer for distribution to counties, cities,
23 and towns as follows:

24 (A) Thirty percent must be distributed to counties, cities, and
25 towns where licensed marijuana retailers are physically located. Each
26 jurisdiction must receive a share of the revenue distribution under
27 this subsection (2)(g)(i)(A) based on the proportional share of the
28 total revenues generated in the individual jurisdiction from the
29 taxes collected under RCW 69.50.535, from licensed marijuana
30 retailers physically located in each jurisdiction. For purposes of
31 this subsection (2)(g)(i)(A), one hundred percent of the proportional
32 amount attributed to a retailer physically located in a city or town
33 must be distributed to the city or town.

34 (B) Seventy percent must be distributed to counties, cities, and
35 towns ratably on a per capita basis. Counties must receive sixty
36 percent of the distribution, which must be disbursed based on each
37 county's total proportional population. Funds may only be distributed
38 to jurisdictions that do not prohibit the siting of any state
39 licensed marijuana producer, processor, or retailer.

1 (ii) Distribution amounts allocated to each county, city, and
2 town must be distributed in four installments by the last day of each
3 fiscal quarter.

4 (iii) By September 15th of each year, the state liquor and
5 cannabis board must provide the state treasurer the annual
6 distribution amount, if any, for each county and city as determined
7 in (g)(i) of this subsection (2).

8 (iv) The total share of marijuana excise tax revenues distributed
9 to counties and cities in (g)(i) of this subsection (2) may not
10 exceed ((~~six~~)) fifteen million dollars in fiscal years 2018 and 2019
11 and twenty million dollars per fiscal year thereafter. ((~~However, if~~
12 ~~the February 2018 forecast of state revenues for the general fund in~~
13 ~~the 2017-2019 fiscal biennium exceeds the amount estimated in the~~
14 ~~June 2017 revenue forecast by over eighteen million dollars after~~
15 ~~adjusting for changes directly related to legislation adopted in the~~
16 ~~2017 legislative session, the total share of marijuana excise tax~~
17 ~~revenue distributed to counties and cities in (g)(i) of this~~
18 ~~subsection (2) may not exceed fifteen million dollars in fiscal years~~
19 ~~2018 and 2019.~~) It is the intent of the legislature that the policy
20 for the maximum distributions in the subsequent fiscal biennia will
21 be no more than ((\$6)) fifteen million dollars per fiscal year.

22 For the purposes of this section, "marijuana products" means
23 "useable marijuana," "marijuana concentrates," and "marijuana-infused
24 products" as those terms are defined in RCW 69.50.101.

25 **Sec. 911.** RCW 70.105D.070 and 2017 3rd sp.s. c 1 s 980 are each
26 amended to read as follows:

27 (1) The state toxics control account and the local toxics control
28 account are hereby created in the state treasury.

29 (2)(a) Moneys collected under RCW 82.21.030 must be deposited as
30 follows: Fifty-six percent to the state toxics control account under
31 subsection (3) of this section and forty-four percent to the local
32 toxics control account under subsection (4) of this section. When the
33 cumulative amount of deposits made to the state and local toxics
34 control accounts under this section reaches the limit during a fiscal
35 year as established in (b) of this subsection, the remainder of the
36 moneys collected under RCW 82.21.030 during that fiscal year must be
37 deposited into the environmental legacy stewardship account created
38 in RCW 70.105D.170.

1 (b) The limit on distributions of moneys collected under RCW
2 82.21.030 to the state and local toxics control accounts for the
3 fiscal year beginning July 1, 2013, is one hundred forty million
4 dollars.

5 (c) In addition to the funds required under (a) of this
6 subsection, the following moneys must be deposited into the state
7 toxics control account: (i) The costs of remedial actions recovered
8 under this chapter or chapter 70.105A RCW; (ii) penalties collected
9 or recovered under this chapter; and (iii) any other money
10 appropriated or transferred to the account by the legislature.

11 (3) Moneys in the state toxics control account must be used only
12 to carry out the purposes of this chapter, including but not limited
13 to the following activities:

14 (a) The state's responsibility for hazardous waste planning,
15 management, regulation, enforcement, technical assistance, and public
16 education required under chapter 70.105 RCW;

17 (b) The state's responsibility for solid waste planning,
18 management, regulation, enforcement, technical assistance, and public
19 education required under chapter 70.95 RCW;

20 (c) The hazardous waste clean-up program required under this
21 chapter;

22 (d) State matching funds required under federal cleanup law;

23 (e) Financial assistance for local programs in accordance with
24 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

25 (f) State government programs for the safe reduction, recycling,
26 or disposal of paint and hazardous wastes from households, small
27 businesses, and agriculture;

28 (g) Oil and hazardous materials spill prevention, preparedness,
29 training, and response activities;

30 (h) Water and environmental health protection and monitoring
31 programs;

32 (i) Programs authorized under chapter 70.146 RCW;

33 (j) A public participation program;

34 (k) Public funding to assist potentially liable persons to pay
35 for the costs of remedial action in compliance with clean-up
36 standards under RCW 70.105D.030(2)(e) but only when the amount and
37 terms of such funding are established under a settlement agreement
38 under RCW 70.105D.040(4) and when the director has found that the
39 funding will achieve both: (i) A substantially more expeditious or

1 enhanced cleanup than would otherwise occur; and (ii) the prevention
2 or mitigation of unfair economic hardship;

3 (l) Development and demonstration of alternative management
4 technologies designed to carry out the hazardous waste management
5 priorities of RCW 70.105.150;

6 (m) State agriculture and health programs for the safe use,
7 reduction, recycling, or disposal of pesticides;

8 (n) Stormwater pollution control projects and activities that
9 protect or preserve existing remedial actions or prevent hazardous
10 clean-up sites;

11 (o) Funding requirements to maintain receipt of federal funds
12 under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et
13 seq.);

14 (p) Air quality programs and actions for reducing public exposure
15 to toxic air pollution;

16 (q) Public funding to assist prospective purchasers to pay for
17 the costs of remedial action in compliance with clean-up standards
18 under RCW 70.105D.030(2)(e) if:

19 (i) The facility is located within a redevelopment opportunity
20 zone designated under RCW 70.105D.150;

21 (ii) The amount and terms of the funding are established under a
22 settlement agreement under RCW 70.105D.040(5); and

23 (iii) The director has found the funding meets any additional
24 criteria established in rule by the department, will achieve a
25 substantially more expeditious or enhanced cleanup than would
26 otherwise occur, and will provide a public benefit in addition to
27 cleanup commensurate with the scope of the public funding;

28 (r) Petroleum-based plastic or expanded polystyrene foam debris
29 cleanup activities in fresh or marine waters;

30 (s) Appropriations to the local toxics control account or the
31 environmental legacy stewardship account created in RCW 70.105D.170,
32 if the legislature determines that priorities for spending exceed
33 available funds in those accounts;

34 (t) During the 2015-2017 and 2017-2019 fiscal biennia, the
35 department of ecology's water quality, shorelands, environmental
36 assessment, administration, and air quality programs;

37 (u) During the 2013-2015 fiscal biennium, actions at the state
38 conservation commission to improve water quality for shellfish;

39 (v) During the 2013-2015 and 2015-2017 fiscal biennia, actions at
40 the University of Washington for reducing ocean acidification;

1 (w) During the 2015-2017 and 2017-2019 fiscal biennia, for the
2 University of Washington Tacoma soil remediation project;

3 (x) For the 2013-2015 fiscal biennium, moneys in the state toxics
4 control account may be spent on projects in section 3160, chapter 19,
5 Laws of 2013 2nd sp. sess. and for transfer to the local toxics
6 control account;

7 (y) For the 2013-2015 fiscal biennium, moneys in the state toxics
8 control account may be transferred to the radioactive mixed waste
9 account; and

10 (z) For the 2015-2017 and 2017-2019 fiscal biennia, forest
11 practices regulation at the department of natural resources.

12 (4)(a) The department shall use moneys deposited in the local
13 toxics control account for grants or loans to local governments for
14 the following purposes in descending order of priority:

15 (i) Extended grant agreements entered into under ~~((e+))~~ (c)(i)
16 of this subsection;

17 (ii) Remedial actions, including planning for adaptive reuse of
18 properties as provided for under ~~((e+))~~ (c)(iv) of this subsection.
19 The department must prioritize funding of remedial actions at:

20 (A) Facilities on the department's hazardous sites list with a
21 high hazard ranking for which there is an approved remedial action
22 work plan or an equivalent document under federal cleanup law;

23 (B) Brownfield properties within a redevelopment opportunity zone
24 if the local government is a prospective purchaser of the property
25 and there is a department-approved remedial action work plan or
26 equivalent document under the federal cleanup law;

27 (iii) Stormwater pollution source projects that: (A) Work in
28 conjunction with a remedial action; (B) protect completed remedial
29 actions against recontamination; or (C) prevent hazardous clean-up
30 sites;

31 (iv) Hazardous waste plans and programs under chapter 70.105 RCW;

32 (v) Solid waste plans and programs under chapters 70.95, 70.95C,
33 70.95I, and 70.105 RCW;

34 (vi) Petroleum-based plastic or expanded polystyrene foam debris
35 cleanup activities in fresh or marine waters; and

36 (vii) Appropriations to the state toxics control account or the
37 environmental legacy stewardship account created in RCW 70.105D.170,
38 if the legislature determines that priorities for spending exceed
39 available funds in those accounts.

1 (b) Funds for plans and programs must be allocated consistent
2 with the priorities and matching requirements established in chapters
3 70.105, 70.95C, 70.95I, and 70.95 RCW.

4 (c) During the 2013-2015 fiscal biennium, the local toxics
5 control account may also be used for local government stormwater
6 planning and implementation activities.

7 (d) During the 2013-2015 fiscal biennium, the legislature may
8 transfer from the local toxics control account to the state general
9 fund, such amounts as reflect the excess fund balance in the account.

10 (e) To expedite cleanups throughout the state, the department may
11 use the following strategies when providing grants to local
12 governments under this subsection:

13 (i) Enter into an extended grant agreement with a local
14 government conducting remedial actions at a facility where those
15 actions extend over multiple biennia and the total eligible cost of
16 those actions exceeds twenty million dollars. The agreement is
17 subject to the following limitations:

18 (A) The initial duration of such an agreement may not exceed ten
19 years. The department may extend the duration of such an agreement
20 upon finding substantial progress has been made on remedial actions
21 at the facility;

22 (B) Extended grant agreements may not exceed fifty percent of the
23 total eligible remedial action costs at the facility; and

24 (C) The department may not allocate future funding to an extended
25 grant agreement unless the local government has demonstrated to the
26 department that funds awarded under the agreement during the previous
27 biennium have been substantially expended or contracts have been
28 entered into to substantially expend the funds;

29 (ii) Enter into a grant agreement with a local government
30 conducting a remedial action that provides for periodic reimbursement
31 of remedial action costs as they are incurred as established in the
32 agreement;

33 (iii) Enter into a grant agreement with a local government prior
34 to it acquiring a property or obtaining necessary access to conduct
35 remedial actions, provided the agreement is conditioned upon the
36 local government acquiring the property or obtaining the access in
37 accordance with a schedule specified in the agreement;

38 (iv) Provide integrated planning grants to local governments to
39 fund studies necessary to facilitate remedial actions at brownfield
40 properties and adaptive reuse of properties following remediation.

1 Eligible activities include, but are not limited to: Environmental
2 site assessments; remedial investigations; health assessments;
3 feasibility studies; site planning; community involvement; land use
4 and regulatory analyses; building and infrastructure assessments;
5 economic and fiscal analyses; and any environmental analyses under
6 chapter 43.21C RCW;

7 (v) Provide grants to local governments for remedial actions
8 related to area-wide groundwater contamination. To receive the
9 funding, the local government does not need to be a potentially
10 liable person or be required to seek reimbursement of grant funds
11 from a potentially liable person;

12 (vi) The director may alter grant matching requirements to create
13 incentives for local governments to expedite cleanups when one of the
14 following conditions exists:

15 (A) Funding would prevent or mitigate unfair economic hardship
16 imposed by the clean-up liability;

17 (B) Funding would create new substantial economic development,
18 public recreational opportunities, or habitat restoration
19 opportunities that would not otherwise occur; or

20 (C) Funding would create an opportunity for acquisition and
21 redevelopment of brownfield property under RCW 70.105D.040(5) that
22 would not otherwise occur;

23 (vii) When pending grant applications under (e)(iv) and (v) of
24 this subsection (4) exceed the amount of funds available, designated
25 redevelopment opportunity zones must receive priority for
26 distribution of available funds.

27 (f) To expedite multiparty clean-up efforts, the department may
28 purchase remedial action cost-cap insurance. For the 2013-2015 fiscal
29 biennium, moneys in the local toxics control account may be spent on
30 projects in sections 3024, 3035, 3036, and 3059, chapter 19, Laws of
31 2013 2nd sp. sess.

32 (5) Except for unanticipated receipts under RCW 43.79.260 through
33 43.79.282, moneys in the state and local toxics control accounts may
34 be spent only after appropriation by statute.

35 (6) No moneys deposited into either the state or local toxics
36 control account may be used for: Natural disasters where there is no
37 hazardous substance contamination; high performance buildings; solid
38 waste incinerator facility feasibility studies, construction,
39 maintenance, or operation; or (~~after January 1, 2010, for~~) projects
40 designed to address the restoration of Puget Sound, funded in a

1 competitive grant process, that are in conflict with the action
2 agenda developed by the Puget Sound partnership under RCW 90.71.310.
3 However, this subsection does not prevent an appropriation from the
4 state toxics control account to the department of revenue to enforce
5 compliance with the hazardous substance tax imposed in chapter 82.21
6 RCW.

7 (7) Except during the 2011-2013 and the 2015-2017 fiscal biennia,
8 one percent of the moneys collected under RCW 82.21.030 shall be
9 allocated only for public participation grants to persons who may be
10 adversely affected by a release or threatened release of a hazardous
11 substance and to not-for-profit public interest organizations. The
12 primary purpose of these grants is to facilitate the participation by
13 persons and organizations in the investigation and remedying of
14 releases or threatened releases of hazardous substances and to
15 implement the state's solid and hazardous waste management
16 priorities. No grant may exceed sixty thousand dollars. Grants may be
17 renewed annually. Moneys appropriated for public participation that
18 are not expended at the close of any biennium revert to the state
19 toxics control account.

20 (8) The department shall adopt rules for grant or loan issuance
21 and performance. To accelerate both remedial action and economic
22 recovery, the department may expedite the adoption of rules necessary
23 to implement chapter 1, Laws of 2013 2nd sp. sess. using the
24 expedited procedures in RCW 34.05.353. The department shall initiate
25 the award of financial assistance by August 1, 2013. To ensure the
26 adoption of rules will not delay financial assistance, the department
27 may administer the award of financial assistance through interpretive
28 guidance pending the adoption of rules through July 1, 2014.

29 (9) Except as provided under subsection (3)(k) and (q) of this
30 section, nothing in chapter 1, Laws of 2013 2nd sp. sess. affects the
31 ability of a potentially liable person to receive public funding.

32 (10) During the 2015-2017 fiscal biennium the local toxics
33 control account may also be used for the centennial clean water
34 program and for the stormwater financial assistance program
35 administered by the department of ecology.

36 (11) During the 2017-2019 fiscal biennium:

37 (a) The state toxics control account, the local toxics control
38 account, and the environmental legacy stewardship account may be used
39 for interchangeable purposes and funds may be transferred between
40 accounts to accomplish those purposes.

1 (b) The legislature may direct the state treasurer to make
2 transfers of moneys in the state toxics control account to the water
3 pollution control revolving account.

4 **Sec. 912.** RCW 76.04.610 and 2012 2nd sp.s. c 7 s 922 are each
5 amended to read as follows:

6 (1)(a) If any owner of forestland within a forest protection zone
7 neglects or fails to provide adequate fire protection as required by
8 RCW 76.04.600, the department shall provide such protection and shall
9 annually impose the following assessments on each parcel of such
10 land: (i) A flat fee assessment of seventeen dollars and fifty cents;
11 and (ii) twenty-seven cents on each acre exceeding fifty acres.

12 (b) Assessors may, at their option, collect the assessment on tax
13 exempt lands. If the assessor elects not to collect the assessment,
14 the department may bill the landowner directly.

15 (2) An owner who has paid assessments on two or more parcels,
16 each containing fewer than fifty acres and each within the same
17 county, may obtain the following refund:

18 (a) If all the parcels together contain less than fifty acres,
19 then the refund is equal to the flat fee assessments paid, reduced by
20 the total of (i) seventeen dollars and (ii) the total of the amounts
21 retained by the county from such assessments under subsection (5) of
22 this section.

23 (b) If all the parcels together contain fifty or more acres, then
24 the refund is equal to the flat fee assessments paid, reduced by the
25 total of (i) seventeen dollars, (ii) twenty-seven cents for each acre
26 exceeding fifty acres, and (iii) the total of the amounts retained by
27 the county from such assessments under subsection (5) of this
28 section.

29 Applications for refunds shall be submitted to the department on
30 a form prescribed by the department and in the same year in which the
31 assessments were paid. The department may not provide refunds to
32 applicants who do not provide verification that all assessments and
33 property taxes on the property have been paid. Applications may be
34 made by mail.

35 In addition to the procedures under this subsection, property
36 owners with multiple parcels in a single county who qualify for a
37 refund under this section may apply to the department on an
38 application listing all the parcels owned in order to have the
39 assessment computed on all parcels but billed to a single parcel.

1 Property owners with the following number of parcels may apply to the
2 department in the year indicated:

| 3 | Year | Number of Parcels |
|---|---------------------|--------------------|
| 4 | 2002 | 10 or more parcels |
| 5 | 2003 | 8 or more parcels |
| 6 | 2004 and thereafter | 6 or more parcels |

7 The department must compute the correct assessment and allocate
8 one parcel in the county to use to collect the assessment. The county
9 must then bill the forest fire protection assessment on that one
10 allocated identified parcel. The landowner is responsible for
11 notifying the department of any changes in parcel ownership.

12 (3) Beginning January 1, 1991, under the administration and at
13 the discretion of the department up to two hundred thousand dollars
14 per year of this assessment shall be used in support of those rural
15 fire districts assisting the department in fire protection services
16 on forestlands.

17 (4) For the purpose of this chapter, the department may divide
18 the forestlands of the state, or any part thereof, into districts,
19 for fire protection and assessment purposes, may classify lands
20 according to the character of timber prevailing, and the fire hazard
21 existing, and place unprotected lands under the administration of the
22 proper district. Amounts paid or contracted to be paid by the
23 department for protection of forestlands from funds at its disposal
24 shall be a lien upon the property protected, unless reimbursed by the
25 owner within ten days after October 1st of the year in which they
26 were incurred. The department shall be prepared to make statement
27 thereof, upon request, to a forest owner whose own protection has not
28 been previously approved as to its adequacy, the department shall
29 report the same to the assessor of the county in which the property
30 is situated. The assessor shall extend the amounts upon the tax rolls
31 covering the property, and upon authorization from the department
32 shall levy the forest protection assessment against the amounts of
33 unimproved land as shown in each ownership on the county assessor's
34 records. The assessor may then segregate on the records to provide
35 that the improved land and improvements thereon carry the millage
36 levy designed to support the rural fire protection districts as
37 provided for in RCW 52.16.170.

1 (5) The amounts assessed shall be collected at the time, in the
2 same manner, by the same procedure, and with the same penalties
3 attached that general state and county taxes on the same property are
4 collected, except that errors in assessments may be corrected at any
5 time by the department certifying them to the treasurer of the county
6 in which the land involved is situated. Assessments shall be known
7 and designated as assessments of the year in which the amounts became
8 reimbursable. Upon the collection of assessments the county treasurer
9 shall place fifty cents of the total assessments paid on a parcel for
10 fire protection into the county current expense fund to defray the
11 costs of listing, billing, and collecting these assessments. The
12 treasurer shall then transmit the balance to the department.
13 Collections shall be applied against expenses incurred in carrying
14 out the provisions of this section, including necessary and
15 reasonable administrative costs incurred by the department in the
16 enforcement of these provisions. The department may also expend sums
17 collected from owners of forestlands or received from any other
18 source for necessary administrative costs in connection with the
19 enforcement of RCW 76.04.660. During the 2017-2019 fiscal biennium,
20 the legislature may appropriate moneys from the account for
21 department of natural resources wildfire response and forest health
22 activities.

23 (6) When land against which forest protection assessments are
24 outstanding is acquired for delinquent taxes and sold at public
25 auction, the state shall have a prior lien on the proceeds of sale
26 over and above the amount necessary to satisfy the county's
27 delinquent tax judgment. The county treasurer, in case the proceeds
28 of sale exceed the amount of the delinquent tax judgment, shall
29 immediately remit to the department the amount of the outstanding
30 forest protection assessments.

31 (7) All nonfederal public bodies owning or administering
32 forestland included in a forest protection zone shall pay the forest
33 protection assessments provided in this section and the special
34 forest fire suppression account assessments under RCW 76.04.630. The
35 forest protection assessments and special forest fire suppression
36 account assessments shall be payable by nonfederal public bodies from
37 available funds within thirty days following receipt of the written
38 notice from the department which is given after October 1st of the
39 year in which the protection was provided. Unpaid assessments are not
40 a lien against the nonfederal publicly owned land but shall

1 constitute a debt by the nonfederal public body to the department and
2 are subject to interest charges at the legal rate. During the
3 2011-2013 fiscal biennium, the forest fire protection assessment
4 account may be appropriated to The Evergreen State College for
5 analysis and recommendations to improve the efficiency and
6 effectiveness of the state's mechanisms for funding fire prevention
7 and suppression activities.

8 (8) A public body, having failed to previously pay the forest
9 protection assessments required of it by this section, which fails to
10 suppress a fire on or originating from forestlands owned or
11 administered by it, is liable for the costs of suppression incurred
12 by the department or its agent and is not entitled to reimbursement
13 of costs incurred by the public body in the suppression activities.

14 (9) The department may adopt rules to implement this section,
15 including, but not limited to, rules on levying and collecting forest
16 protection assessments.

17 **Sec. 913.** RCW 77.12.203 and 2017 3rd sp.s. c 1 s 984 are each
18 amended to read as follows:

19 (1) Except as provided in subsection (5) of this section and
20 notwithstanding RCW 84.36.010 or other statutes to the contrary, the
21 director must pay by April 30th of each year on game lands,
22 regardless of acreage, in each county, if requested by an election
23 under RCW 77.12.201, an amount in lieu of real property taxes equal
24 to that amount paid on similar parcels of open space land taxable
25 under chapter 84.34 RCW or the greater of seventy cents per acre per
26 year or the amount paid in 1984 plus an additional amount for control
27 of noxious weeds equal to that which would be paid if such lands were
28 privately owned. This amount may not be assessed or paid on
29 department buildings, structures, facilities, game farms, fish
30 hatcheries, water access sites, tidelands, or public fishing areas.

31 (2) "Game lands," as used in this section and RCW 77.12.201,
32 means those tracts, regardless of acreage, owned in fee by the
33 department and used for wildlife habitat and public recreational
34 purposes. All lands purchased for wildlife habitat, public access, or
35 recreation purposes with federal funds in the Snake River drainage
36 basin are considered game lands regardless of acreage.

37 (3) This section does not apply to lands transferred after April
38 23, 1990, to the department from other state agencies.

1 (4) The county must distribute the amount received under this
2 section in lieu of real property taxes to all property taxing
3 districts except the state in appropriate tax code areas the same way
4 it would distribute local property taxes from private property. The
5 county must distribute the amount received under this section for
6 weed control to the appropriate weed district.

7 (5) For the 2013-2015 and 2015-2017 fiscal biennia, the director
8 must pay by April 30th of each year on game lands in each county, if
9 requested by an election under RCW 77.12.201, an amount in lieu of
10 real property taxes and must be distributed as follows:

| County | |
|-------------------|---------|
| Adams..... | 1,909 |
| Asotin..... | 36,123 |
| Chelan..... | 24,757 |
| Columbia..... | 7,795 |
| Ferry..... | 6,781 |
| Garfield..... | 4,840 |
| Grant..... | 37,443 |
| Kittitas..... | 143,974 |
| Klickitat..... | 21,906 |
| Lincoln..... | 13,535 |
| Okanogan..... | 151,402 |
| Pend Oreille..... | 3,309 |
| Yakima..... | 126,225 |

25 These amounts may not be assessed or paid on department buildings,
26 structures, facilities, game farms, fish hatcheries, water access
27 sites, tidelands, or public fishing areas.

28 (6) For the 2017-2019 fiscal biennium, the director must pay by
29 April 30th of each year on game lands in each county, if requested by
30 an election under RCW 77.12.201, an amount in lieu of real property
31 taxes and must be distributed as follows:

| County | |
|---------------|-------------------------------------|
| Adams..... | ((1,235)) <u>1,909</u> |
| Asotin..... | ((26,425)) <u>36,123</u> |

| | | |
|----|-------------------|-------------------------------------|
| 1 | Chelan..... | 39,858 |
| 2 | Columbia..... | 20,713 |
| 3 | Ferry..... | 22,798 |
| 4 | Garfield..... | 12,744 |
| 5 | Grant..... | 71,930 |
| 6 | Kittitas..... | 382,638 |
| 7 | Klickitat..... | 51,019 |
| 8 | Lincoln..... | ((13,000)) <u>13,535</u> |
| 9 | Okanogan..... | 264,036 |
| 10 | Pend Oreille..... | 5,546 |
| 11 | Yakima..... | 186,056 |

12 These amounts may not be assessed or paid on department buildings,
13 structures, facilities, game farms, fish hatcheries, water access
14 sites, tidelands, or public fishing areas.

15 **Sec. 914.** RCW 79.105.150 and 2017 3rd sp.s. c 1 s 987 are each
16 amended to read as follows:

17 (1) After deduction for management costs as provided in RCW
18 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys
19 received by the state from the sale or lease of state-owned aquatic
20 lands and from the sale of valuable material from state-owned aquatic
21 lands shall be deposited in the aquatic lands enhancement account
22 which is hereby created in the state treasury. After appropriation,
23 these funds shall be used solely for aquatic lands enhancement
24 projects; for the purchase, improvement, or protection of aquatic
25 lands for public purposes; for providing and improving access to the
26 lands; and for volunteer cooperative fish and game projects. During
27 the 2013-2015, 2015-2017, and 2017-2019 fiscal biennia, the aquatic
28 lands enhancement account may be used to support the shellfish
29 program, the ballast water program, hatcheries, the Puget Sound toxic
30 sampling program and steelhead mortality research at the department
31 of fish and wildlife, the knotweed program at the department of
32 agriculture, actions at the University of Washington for reducing
33 ocean acidification, which may include the creation of a center on
34 ocean acidification, the Puget SoundCorps program, and support of the
35 marine resource advisory council and the Washington coastal marine
36 advisory council. During the 2013-2015 and 2017-2019 fiscal

1 ((~~biennium~~)) biennia, the legislature may transfer from the aquatic
2 lands enhancement account to the geoduck aquaculture research account
3 for research related to shellfish aquaculture. During the 2015-2017
4 fiscal biennium, the legislature may transfer moneys from the aquatic
5 lands enhancement account to the marine resources stewardship trust
6 account.

7 (2) In providing grants for aquatic lands enhancement projects,
8 the recreation and conservation funding board shall:

9 (a) Require grant recipients to incorporate the environmental
10 benefits of the project into their grant applications;

11 (b) Utilize the statement of environmental benefits,
12 consideration, except as provided in RCW 79.105.610, of whether the
13 applicant is a Puget Sound partner, as defined in RCW 90.71.010,
14 whether a project is referenced in the action agenda developed by the
15 Puget Sound partnership under RCW 90.71.310, and except as otherwise
16 provided in RCW 79.105.630, and effective one calendar year following
17 the development and statewide availability of model evergreen
18 community management plans and ordinances under RCW 35.105.050,
19 whether the applicant is an entity that has been recognized, and what
20 gradation of recognition was received, in the evergreen community
21 recognition program created in RCW 35.105.030 in its prioritization
22 and selection process; and

23 (c) Develop appropriate outcome-focused performance measures to
24 be used both for management and performance assessment of the grants.

25 (3) To the extent possible, the department should coordinate its
26 performance measure system with other natural resource-related
27 agencies as defined in RCW 43.41.270.

28 (4) The department shall consult with affected interest groups in
29 implementing this section.

30 (5) (~~(After January 1, 2010,)~~) Any project designed to address
31 the restoration of Puget Sound may be funded under this chapter only
32 if the project is not in conflict with the action agenda developed by
33 the Puget Sound partnership under RCW 90.71.310.

34 **Sec. 915.** RCW 82.19.040 and 2017 3rd sp.s. c 1 s 989 are each
35 amended to read as follows:

36 (1) To the extent applicable, all of the definitions of chapter
37 82.04 RCW and all of the provisions of chapter 82.32 RCW apply to the
38 tax imposed in this chapter.

1 (2) Until June 30, (~~2019~~) 2018, taxes collected under this
2 chapter shall be distributed as follows: (a) Five million dollars per
3 fiscal year must be deposited in equal monthly amounts to the state
4 parks renewal and stewardship account under RCW 79A.05.215; and (b)
5 the remainder to the waste reduction, recycling, and litter control
6 account under RCW 70.93.180.

7 (3) Beginning June 30, 2018, and until June 30, 2019, taxes
8 collected under this chapter shall be distributed as follows: (a)
9 Four million dollars per fiscal year must be deposited in equal
10 monthly amounts to the state parks renewal and stewardship account
11 under RCW 79A.05.215; and (b) the remainder to the waste reduction,
12 recycling, and litter control account under RCW 70.93.180.

13 NEW SECTION. Sec. 916. Section 916 of this act expires June 30,
14 2019.

15 **Sec. 917.** RCW 86.26.007 and 2015 3rd sp.s. c 4 s 978 are each
16 amended to read as follows:

17 The flood control assistance account is hereby established in the
18 state treasury. At the beginning of the 2005-2007 fiscal biennium,
19 the state treasurer shall transfer three million dollars from the
20 general fund to the flood control assistance account. Each biennium
21 thereafter the state treasurer shall transfer four million dollars
22 from the general fund to the flood control assistance account, except
23 that during the 2011-2013 fiscal biennium, the state treasurer shall
24 transfer one million dollars from the general fund to the flood
25 control assistance account. Moneys in the flood control assistance
26 account may be spent only after appropriation for purposes specified
27 under this chapter. During the 2013-2015 fiscal biennium and the
28 2015-2017 fiscal biennium, the legislature may transfer from the
29 flood control assistance account to the state general fund such
30 amounts as reflect the excess fund balance of the account. During the
31 2017-2019 fiscal biennium, the legislature may appropriate moneys
32 from the account for the purposes specified under chapter 90.--- RCW
33 (the new chapter created in section 305, chapter 1, Laws of 2018).

34 **Sec. 918.** RCW 90.56.500 and 2015 c 274 s 6 are each amended to
35 read as follows:

36 (1) The state oil spill response account is created in the state
37 treasury. All receipts from RCW 82.23B.020(1) shall be deposited in

1 the account. All costs reimbursed to the state by a responsible party
2 or any other person for responding to a spill of oil shall also be
3 deposited in the account. Moneys in the account shall be spent only
4 after appropriation. The account is subject to allotment procedures
5 under chapter 43.88 RCW.

6 (2)(a) The account shall be used exclusively to pay for:

7 (i) The costs associated with the response to spills or imminent
8 threats of spills of crude oil or petroleum products into the waters
9 of the state; and

10 (ii) The costs associated with the department's use of an
11 emergency response towing vessel.

12 (b) During the 2015-2017 biennium, the legislature may transfer
13 up to two million two hundred twenty-five thousand dollars from the
14 account to the oil spill prevention account created in RCW 90.56.510.

15 (c) During the 2017-2019 fiscal biennium, the legislature may
16 transfer up to four million seven hundred twenty-one thousand dollars
17 from the account to the oil spill prevention account created in RCW
18 90.56.510.

19 (3) Payment of response costs under subsection (2)(a)(i) of this
20 section shall be limited to spills which the director has determined
21 are likely to exceed one thousand dollars.

22 (4) Before expending moneys from the account, but without
23 delaying response activities, the director shall make reasonable
24 efforts to obtain funding for response costs under subsection (2) of
25 this section from the person responsible for the spill and from other
26 sources, including the federal government.

27 (5) Reimbursement for response costs from this account shall be
28 allowed only for costs which are not covered by funds appropriated to
29 the agencies responsible for response activities. Costs associated
30 with the response to spills of crude oil or petroleum products shall
31 include:

32 (a) Natural resource damage assessment and related activities;

33 (b) Spill related response, containment, wildlife rescue,
34 cleanup, disposal, and associated costs;

35 (c) Interagency coordination and public information related to a
36 response; and

37 (d) Appropriate travel, goods and services, contracts, and
38 equipment.

1 **Sec. 919.** RCW 18.39.810 and 2009 c 102 s 24 are each amended to
2 read as follows:

3 The funeral and cemetery account is created in the custody of the
4 state treasurer. All receipts from fines and fees collected under
5 this chapter and chapter 68.05 RCW must be deposited in the account.
6 Expenditures from the account may be used only to carry out the
7 duties required for the operation and enforcement of this chapter and
8 chapter 68.05 RCW. Only the director of licensing or the director's
9 designee may authorize expenditures from the account. The account is
10 subject to the allotment procedures under chapter 43.88 RCW, but an
11 appropriation is not required for expenditures. During the 2017-2019
12 biennium, the legislature may transfer moneys from the funeral and
13 cemetery account to the skeletal human remains assistance account.

14 NEW SECTION. **Sec. 920.** A new section is added to chapter 43.79
15 RCW to read as follows:

16 The dedicated McCleary penalty account is created in the state
17 treasury. Moneys in the account may be spent only after
18 appropriation. Revenues in the account consist of moneys transferred
19 to the account pursuant to the legislative directive. Expenditures
20 from the account may be used only to meet the state's obligation for
21 basic education funding under RCW 28A.150.220.

22 **Sec. 921.** 2017 c 290 s 2 (uncodified) is amended to read as
23 follows:

24 (1)(a) The joint legislative task force on sexual assault
25 forensic examination best practices is established for the purpose of
26 reviewing best practice models for managing all aspects of sexual
27 assault examinations and for reducing the number of untested sexual
28 assault examination kits in Washington state that were collected
29 prior to the effective date of this section.

30 (i) The caucus leaders from the senate shall appoint one member
31 from each of the two largest caucuses of the senate.

32 (ii) The caucus leaders from the house of representatives shall
33 appoint one member from each of the two largest caucuses of the house
34 of representatives.

35 (iii) The president of the senate and the speaker of the house of
36 representatives shall jointly appoint:

37 (A) One member representing each of the following:

38 (I) The Washington state patrol;

1 (II) The Washington association of sheriffs and police chiefs;
2 (III) The Washington association of prosecuting attorneys;
3 (IV) The Washington defender association or the Washington
4 association of criminal defense lawyers;
5 (V) The Washington association of cities;
6 (VI) The Washington association of county officials;
7 (VII) The Washington coalition of sexual assault programs;
8 (VIII) The office of crime victims advocacy;
9 (IX) The Washington state hospital association;
10 (X) The Washington state forensic investigations council;
11 (XI) A public institution of higher education as defined in RCW
12 28B.10.016;
13 (XII) A private higher education institution as defined in RCW
14 28B.07.020; and
15 (XIII) The office of the attorney general; and
16 (B) Two members representing survivors of sexual assault.
17 (b) The task force shall choose two cochairs from among its
18 legislative membership. The legislative membership shall convene the
19 initial meeting of the task force.
20 (2) The duties of the task force include, but are not limited to:
21 (a) Researching and determining the number of untested sexual
22 assault examination kits in Washington state;
23 (b) Researching the locations where the untested sexual assault
24 examination kits are stored;
25 (c) Researching, reviewing, and making recommendations regarding
26 legislative policy options for reducing the number of untested sexual
27 assault examination kits;
28 (d) Researching the best practice models both in state and from
29 other states for collaborative responses to victims of sexual assault
30 from the point the sexual assault examination kit is collected to the
31 conclusion of the investigation and providing recommendations
32 regarding any existing gaps in Washington and resources that may be
33 necessary to address those gaps; and
34 (e) Researching, identifying, and making recommendations for
35 securing nonstate funding for testing the sexual assault examination
36 kits, and reporting on progress made toward securing such funding.
37 (3) Staff support for the task force must be provided by the
38 senate committee services and the house of representatives office of
39 program research.

1 (4) Legislative members of the task force must be reimbursed for
2 travel expenses in accordance with RCW 44.04.120. Nonlegislative
3 members, except those representing an employer or organization, are
4 entitled to be reimbursed for travel expenses in accordance with RCW
5 43.03.050 and 43.03.060.

6 (5) The expenses of the task force must be paid jointly by the
7 senate and the house of representatives. Task force meetings and
8 expenditures are subject to approval by the senate facilities and
9 operations committee and the house of representatives executive rules
10 committee, or their successor committees.

11 (6) The first meeting of the task force must occur prior to
12 October 1, 2015. The task force shall submit a preliminary report
13 regarding its initial findings and recommendations to the appropriate
14 committees of the legislature and the governor no later than December
15 1, 2015.

16 (7) The task force must meet no less than twice annually.

17 (8) The task force shall report its findings and recommendations
18 to the appropriate committees of the legislature and the governor by
19 September 30, 2016, and by December 1st of the following year.

20 (9) This section expires June 30, (~~2018~~) 2019.

21 **Sec. 922.** RCW 43.79.445 and 2017 3rd sp.s. c 1 s 970 are each
22 amended to read as follows:

23 There is established an account in the state treasury referred to
24 as the "death investigations account" which shall exist for the
25 purpose of receiving, holding, investing, and disbursing funds
26 appropriated or provided in RCW 70.58.107 and any moneys appropriated
27 or otherwise provided thereafter.

28 Moneys in the death investigations account shall be disbursed by
29 the state treasurer once every year on December 31 and at any other
30 time determined by the treasurer. The treasurer shall make
31 disbursements to: The state toxicology laboratory, counties for the
32 cost of autopsies, the state patrol for providing partial funding for
33 the state dental identification system, the criminal justice training
34 commission for training county coroners, medical examiners and their
35 staff, and the state forensic investigations council. Funds from the
36 death investigations account may be appropriated during the 2013-2015
37 fiscal biennium for the activities of the state crime laboratory
38 within the Washington state patrol. (~~In addition, during the~~
39 ~~2017-2019 fiscal biennium, the legislature may direct the state~~

1 ~~treasurer to make transfers of moneys in the death investigations~~
2 ~~account to the state general fund.))~~

3 **Sec. 923.** RCW 39.12.080 and 2006 c 230 s 2 are each amended to
4 read as follows:

5 The public works administration account is created in the state
6 treasury. The department of labor and industries shall deposit in the
7 account all moneys received from fees or civil penalties collected
8 under RCW 39.12.050, 39.12.065, and 39.12.070. Appropriations from
9 the account may be made only for the purposes of administration of
10 this chapter, including, but not limited to, the performance of
11 adequate wage surveys, and for the investigation and enforcement of
12 all alleged violations of this chapter as provided for in this
13 chapter and chapters 49.48 and 49.52 RCW. During the 2017-2019 fiscal
14 biennium the legislature may direct the state treasurer to make
15 transfers of moneys in the public works administration account to the
16 state general fund. It is the intent of the legislature to use the
17 moneys transferred in the 2017-2019 biennium to support
18 apprenticeship programs.

19 **Sec. 924.** RCW 43.350.070 and 2016 sp.s. c 36 s 937 are each
20 amended to read as follows:

21 The life sciences discovery fund is created in the custody of the
22 state treasurer. Only the board or the board's designee may authorize
23 expenditures from the fund. Expenditures from the fund may be made
24 only for purposes of this chapter. Administrative expenses of the
25 authority, including staff support, may be paid only from the fund.
26 Revenues to the fund consist of transfers made by the legislature
27 from strategic contribution payments deposited in the tobacco
28 settlement account under RCW 43.79.480, moneys received pursuant to
29 contribution agreements entered into pursuant to RCW 43.350.030,
30 moneys received from gifts, grants, and bequests, and interest earned
31 on the fund. During the 2015-2017 fiscal biennium, the legislature
32 may transfer to other state funds or accounts such amounts as
33 represent the excess balance of the life sciences discovery fund.
34 During the 2017-2019 fiscal biennium, the legislature may make
35 appropriations from the fund to the department of commerce for
36 providing life sciences research grants.

1 NEW SECTION. **Sec. 925.** A new section is added to 2017 3rd sp.s.
2 c 1 (uncodified) to read as follows:

3 (1) The senate facilities and operations committee and the house
4 of representatives executive rules committee shall convene a
5 legislative task force to examine establishing standards for
6 maintaining and disclosing public records for the legislative branch
7 of government.

8 (2) The meetings of the task force must be scheduled and
9 conducted in accordance with the requirements of both the senate and
10 the house of representatives. The expenses of the task force shall be
11 paid jointly by the senate and the house of representatives. Task
12 force meetings and expenditures are subject to approval by the senate
13 facilities and operations committee and the house of representatives
14 executive rules committee, or their successor committees.

15 (3) Legislative members of the task force may be reimbursed for
16 travel expenses in accordance with RCW 44.04.120. Nonlegislative
17 members, except those representing an employer, governmental entity,
18 or other organization, are entitled to be reimbursed for travel
19 expenses as provided in RCW 43.03.050 and 43.03.060.

20 (4) Staff support for the task force shall be provided by the
21 senate committee services and the house of representatives office of
22 program research. Meeting facilitation and related services for the
23 task force shall be provided by the William D. Ruckelshaus center as
24 specified in section 603(25) of this act.

25 (5) The task force shall report its findings and recommendations
26 to the appropriate committees of the legislature by December 1, 2018.

27 (6) This section expires December 31, 2018.

28 NEW SECTION. **Sec. 926.** If any provision of this act or its
29 application to any person or circumstance is held invalid, the
30 remainder of the act or the application of the provision to other
31 persons or circumstances is not affected.

32 NEW SECTION. **Sec. 927.** This act is necessary for the immediate
33 preservation of the public peace, health, or safety, or support of
34 the state government and its existing public institutions, and takes
35 effect immediately.

(End of part)

Passed by the Senate March 8, 2018.
Passed by the House March 8, 2018.
Approved by the Governor March 27, 2018, with the exception of certain items that were vetoed.
Filed in Office of Secretary of State March 29, 2018.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 119(8), 129(21), 135(4), 146(10), 307 lines 14-15, 308(21), 502(1)(h), 504(2), 606(23)(b), 908(3), 103(9), 122(3), 127(56), 135(6), 140(7), 141(4), 146(7), 148(10), 205(1)(w), 206(30), and 501(51), Engrossed Substitute Senate Bill No. 6032 entitled:

"AN ACT Relating to fiscal matters."

Section 119(8), page 19, Secretary of State, Automatic Voter Registration Study

This section includes funding for the Secretary of State to conduct a study related to automatic voter registration. The requirement to do this study was removed from Engrossed Second Substitute House Bill 2595 (automatic voter registration), but the funding proviso remained in the budget. Because the agency will not be doing this study, the funding is not needed. For this reason, I have vetoed Section 119(8).

Section 129(21), page 56, Office of Financial Management, 2020 Census

Funds are provided to the agency for staffing and support to prepare for the 2020 census in two identical provisos: Section 129(19) and Section 129(21). This is clearly a drafting error because funding for the double proviso is not included in the total appropriation authority. For this reason, I have vetoed Section 129(21).

Section 135(4), pages 59-60, Department of Revenue, Tax Database

The budget provides \$150,000 to the department to create a publicly available online searchable database of all taxes and tax rates in the state for each taxing district. This is the same provision that was included in Senate Bill 6590 which had a fiscal note of \$1,219,800 for creation of the database. This project cannot be done for the \$150,000 provided in the budget. For this reason, I have vetoed Section 135(4).

Section 146(10), page 74, Department of Enterprise Services, Capitol Dome Access

This section directs the Department of Enterprise Services to allow individuals to access the top of the Capitol dome "under approved supervision and guidelines developed by the department." The Olympia Fire Department has assessed this space in the past, and, among other issues, reported that it could not use a firemans rescue technique in this space nor could it assist an injured party by using a gurney. The Department of Labor and Industries classifies the area as a "confined space" which means that it has restricted entry/exit and is not primarily designed for human occupancy. Access should be authorized only for individuals needed to do work on the dome. While the view is beautiful from the dome, there are too many risks involved with granting access to the public. For this reason, I have vetoed Section 146(10).

Section 307, page 261, lines 14-15, Department of Fish and Wildlife, FY 2018 General Fund—State Appropriation

The final budget reduces the department's FY 2018 General Fund-State appropriation by \$1,739,000. Although the final budget provides an additional \$1.5 million for Orca whale recovery efforts, it does not fully cover the costs of important work needed to begin the recovery of this iconic species. To support Orca recovery efforts, I am vetoing this reduction in appropriation and directing the department to use \$650,000 of this amount to complete fish screen inventories, conduct public outreach and education, hire a recovery coordinator position, and support facilitation of the Southern Resident Killer Whale Task Force. I also am directing the agency to place the remaining amount in unallotted status. For this reason, I have vetoed Section 307, page 261, lines 14-15.

Section 308(21), page 274, Department of Natural Resources, SAFER Grant Match

One-time funding of \$873,000 General Fund—State is provided to Kittitas County Fire District 7 for matching funds for its Staffing for Adequate Fire and Emergency Response (SAFER) grant from the Federal Emergency Management Agency. Despite the merits of the federal grant funding to provide firefighting staff to the district, the state should not provide the local match for these grants. Operational funding for fire districts is a local decision. Not only would providing the match through the state general fund set a precedent, it would be unfair to the other 19 fire districts across the state that were awarded a similar federal grant and provided their own local match. For these reasons, I have vetoed Section 308(21).

Section 502(1)(h), page 303, Office of Superintendent of Public Instruction for General Apportionment, Net Revenue Hold Harmless

Engrossed Second Substitute Senate Bill 6362 contains a more prescriptive hold harmless calculation than the language in the operating budget. The operating budget will hold districts harmless to a baseline that assumes the levy cliff would go into effect—a decision that the Legislature chose last year not to implement. We must ensure that no school district receives less funding in the 2018-19 school year. For this reason, I have vetoed Section 502(1)(h).

Section 504(2), page 318, Office of Superintendent of Public Instruction for School Employee Compensation Adjustments, Delay Professional Learning Day

The operating budget delays the implementation of state-funded professional learning days by one year. Research shows that time for job embedded professional learning and collaboration is linked to student success. Limiting practices that improve student achievement goes against our goal for a world-class education system. For these reasons, I have vetoed Section 504(2).

Section 606(23)(b), page 372, The Evergreen State College, Funding Options for the Legislature

This proviso allows the Office of Financial Management, State Board for Community and Technical Colleges, and Council of Presidents to use information from a Washington State Institute for Public Policy (WSIPP) study to present funding options to the Legislature. The WSIPP study is related to higher education funding methods in other states. This item directs two separate agencies and the Council of Presidents to perform work that does not naturally fit together with the WSIPP study. For this reason, I have vetoed Section 606(23)(b).

Section 908(3), page 417, Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Distribution

This language expresses the Legislature's intent that future distributions to the Local Law Enforcement Officers' and Firefighters' Retirement System Benefits Improvement Account may include transfers from the LEOFF 2 pension fund. I have consistently vetoed similar provisions in the past, and I remain concerned about the wisdom of such transfers from a retirement fund. For this reason, I have vetoed Section 908(3).

I am vetoing the following sections related to bills that did not pass the Legislature resulting in the lapse of funding. My veto of these sections will serve to clean up these unnecessary sections of the bill.

Section 103(9), page 5, Joint Legislative Audit & Review Committee, SHB 1154, Fishing and Seafood Processing.

Section 122(3) page 22, State Treasurer's Office, E2SHB 2718, Civil Forfeiture Proceedings.

Section 127(56), page 43, Department of Commerce, ESSB 6081, Net Metering, or SHB 2995 Energy.

Section 135(6), page 61, Department of Revenue, E2SHB 2718, Civil Forfeiture Proceedings.

Section 140(7), page 64, Liquor and Cannabis Board, ESSB 6346, Sale of Wine/Microbrewery.

Section 141(4), page 66, Utilities and Transportation Commission, ESSB 6081, Distributed Generation, or SHB 2995, Energy.

Section 146(7), page 73, Department of Enterprise Services, ESSB 6081, Net Metering, or SHB 2995, Energy.

Section 148(10), page 77, Consolidated Technology Services, E2SSB 5935, Broadband and Telecommunication Service.

Section 205(1)(w), page 116, Department of Social and Health Services - Developmental Disabilities, SHB 1792, Residential Services and Supports.

Section 206(30), page 134, Department of Social and Health Services - Aging and Adult Services, SHB 1792, Residential Services and Supports.

Section 501(51), page 297, Office of Superintendent of Public Instruction, SHB 2748, Learning Assistance Program.

For these reasons I have vetoed Sections 119(8), 129(21), 135(4), 146(10), 307 lines 14-15, 308(21), 502(1)(h), 504(2), 606(23)(b), 908(3), 103(9), 122(3), 127(56), 135(6), 140(7), 141(4), 146(7), 148(10), 205(1)(w), 206(30), and 501(51) of Engrossed Substitute Senate Bill No. 6032.

With the exception of Sections 119(8), 129(21), 135(4), 146(10), 307 lines 14-15, 308(21), 502(1)(h), 504(2), 606(23)(b), 908(3), 103(9), 122(3), 127(56), 135(6), 140(7), 141(4), 146(7), 148(10), 205(1)(w), 206(30), and 501(51), Engrossed Substitute Senate Bill No. 6032 is approved."

(End of Bill)

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