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**SUBSTITUTE SENATE BILL 5048**

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**State of Washington 65th Legislature 2017 Regular Session**

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

AN ACT Relating to fiscal matters; amending RCW 19.28.351, 19.118.110, 28B.15.031, 28B.15.210, 28B.15.310, 28B.15.910, 28B.35.370, 28B.50.360, 28C.04.535, 36.70A.725, 38.40.210, 41.16.050, 41.26.450, 41.26.725, 41.26.802, 41.50.110, 41.50.255, 41.60.050, 41.80.010, 41.80.020, 43.08.190, 43.09.475, 43.24.150, 43.41.450, 43.43.839, 43.79.445, 43.79.460, 43.79.480, 43.101.200, 43.320.110, 43.330.250, 50.16.010, 69.50.540, 70.93.180, 70.105D.070, 70.105D.130, 71.24.580, 77.12.203, 79.13.120, 79.17.200, 79.64.040, 79.64.110, and 79.105.150; amending 2016 sp.s. c 36 ss 112, 113, 114, 117, 118, 120, 121, 124, 125, 127, 128, 130, 131, 132, 134, 135, 136, 137, 139, 141, 143, 145, 147, 148, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 216, 217, 218, 219, 220, 221, 301, 302, 303, 304, 305, 306, 307, 308, 310, 311, 402, 501, 502, 503, 504, 505, 506, 507, 508, 509, 511, 512, 513, 514, 516, 517, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 615, 617, 701, 706, 801, and 804 (uncodified); amending 2015 3rd sp.s. c 4 ss 125, 506, and 703 (uncodified); reenacting and amending RCW 43.155.050; adding new sections to 2015 3rd sp.s. c 4 (uncodified); adding a new section to chapter 28B.16 RCW; adding new sections to chapter 43.41 RCW; making appropriations; providing an effective date; providing an expiration date; and declaring an emergency.

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

NEW SECTION. **Sec.**  (1) A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in parts I through IX of this act, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for salaries, wages, and other expenses of the agencies and offices of the state and for other specified purposes for the fiscal biennium beginning July 1, 2017, and ending June 30, 2019, except as otherwise provided, out of the several funds of the state hereinafter named.

(2) Unless the context clearly requires otherwise, the definitions in this section apply throughout this act.

(a) "Fiscal year 2018" or "FY 2018" means the fiscal year ending June 30, 2018.

(b) "Fiscal year 2019" or "FY 2019" means the fiscal year ending June 30, 2019.

(c) "FTE" means full time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose which is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.

**PART I**

**GENERAL GOVERNMENT**

NEW SECTION. **Sec.**  **FOR THE HOUSE OF REPRESENTATIVES**

General Fund—State Appropriation (FY 2018) $35,288,000

General Fund—State Appropriation (FY 2019) $35,688,000

Motor Vehicle Account—State Appropriation $1,960,000

TOTAL APPROPRIATION $72,936,000

NEW SECTION. **Sec.**  **FOR THE SENATE**

General Fund—State Appropriation (FY 2018) $24,295,000

General Fund—State Appropriation (FY 2019) $26,620,000

Motor Vehicle Account—State Appropriation $1,797,000

TOTAL APPROPRIATION $52,712,000

NEW SECTION. **Sec.**  **FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE**

General Fund—State Appropriation (FY 2018) $59,000

General Fund—State Appropriation (FY 2019) $23,000

Performance Audits of Government Account—State

Appropriation $8,719,000

TOTAL APPROPRIATION $8,801,000

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

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

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

(3) $719,000 of the performance audits of government account—state appropriation is provided solely for implementation of Engrossed Substitute Senate Bill No. 5294 (department of corrections). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(4) $500,000 of the performance audit of government—state appropriation is provided solely for an evaluation and comparison of the cost efficiency of market rate housing in Washington versus publicly subsidized housing projects intended to assist low-income households.

(a) The comparison will include, but not be limited to, a comparison of the costs of:

(i) Land acquisition;

(ii) Preconstruction activities including development and design, environmental review, permitting, and other state and local review processes;

(iii) Construction and rehabilitation;

(iv) Capital and financing;

(v) Labor costs;

(vi) Construction administrative costs include legal, contract, and finance activities; and

(vii) On-going maintenance and operating of the housing constructed.

(b) The comparison will include a review of the department of commerce housing root cause analysis due to the governor on June 1, 2018. Included in the review will be a consideration of geographic and regional factors affecting costs. The report will include a recommendation for a publicly available and easy to read sources and label for each publicly subsidized housing project. For purposes of the evaluation and comparison, publicly subsidized housing project means housing that is funded, in whole or in part, by state, local, or federal funds or financing programs to assist low-income households.

(c) The evaluation must solicit input from interested housing stakeholder, including representatives from the Washington state affordable housing advisory board, the department of commerce, the Washington state housing finance commission, representatives from the private rental housing industry, housing authorities, community action agencies, local governments, and nonprofit and for-profit housing developers.

(d) The evaluation and comparison is due to the legislature by December 31, 2018.

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

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

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

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

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

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

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

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

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

NEW SECTION. **Sec.**  **FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**

Performance Audits of Government Account—State

Appropriation $4,079,000

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

NEW SECTION. **Sec.**  **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

General Fund—State Appropriation (FY 2018) $10,343,000

General Fund—State Appropriation (FY 2019) $9,671,000

TOTAL APPROPRIATION $20,014,000

NEW SECTION. **Sec.**  **FOR THE OFFICE OF THE STATE ACTUARY**

General Fund—State Appropriation (FY 2018) $298,000

General Fund—State Appropriation (FY 2019) $298,000

State Health Care Authority Administrative Account—State

Appropriation $398,000

Department of Retirement Systems Expense Account—State

Appropriation $4,967,000

TOTAL APPROPRIATION $5,961,000

NEW SECTION. **Sec.**  **FOR THE STATUTE LAW COMMITTEE**

General Fund—State Appropriation (FY 2018) $4,841,000

General Fund—State Appropriation (FY 2019) $5,221,000

TOTAL APPROPRIATION $10,062,000

NEW SECTION. **Sec.**  **FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES**

General Fund—State Appropriation (FY 2018) $4,218,000

General Fund—State Appropriation (FY 2019) $4,548,000

TOTAL APPROPRIATION $8,766,000

NEW SECTION. **Sec.**  **LEGISLATIVE AGENCIES**

In order to achieve operating efficiencies within the financial resources available to the legislative branch, the executive rules committee of the house of representatives and the facilities and operations committee of the senate by joint action may transfer funds among the house of representatives, senate, joint legislative audit and review committee, legislative evaluation and accountability program committee, joint transportation committee, office of the state actuary, joint legislative systems committee, statute law committee, and office of legislative support services.

NEW SECTION. **Sec.**  **FOR THE SUPREME COURT**

General Fund—State Appropriation (FY 2018) $7,857,000

General Fund—State Appropriation (FY 2019) $7,897,000

TOTAL APPROPRIATION $15,754,000

NEW SECTION. **Sec.**  **FOR THE LAW LIBRARY**

General Fund—State Appropriation (FY 2018) $1,654,000

General Fund—State Appropriation (FY 2019) $1,646,000

TOTAL APPROPRIATION $3,300,000

NEW SECTION. **Sec.**  **FOR THE COMMISSION ON JUDICIAL CONDUCT**

General Fund—State Appropriation (FY 2018) $1,318,000

General Fund—State Appropriation (FY 2019) $1,186,000

TOTAL APPROPRIATION $2,504,000

NEW SECTION. **Sec.**  **FOR THE COURT OF APPEALS**

General Fund—State Appropriation (FY 2018) $17,448,000

General Fund—State Appropriation (FY 2019) $17,507,000

TOTAL APPROPRIATION $34,955,000

NEW SECTION. **Sec.**  **FOR THE ADMINISTRATOR FOR THE COURTS**

General Fund—State Appropriation (FY 2018) $51,282,000

General Fund—State Appropriation (FY 2019) $52,667,000

General Fund—Federal Appropriation $2,163,000

General Fund—Private/Local Appropriation $669,000

Judicial Information Systems Account—State

Appropriation $57,297,000

TOTAL APPROPRIATION $164,078,000

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

(1) The distributions made under this section, distributions from the county criminal justice assistance account, and distributions from the general fund for marijuana excise tax distributions made pursuant to section 801 of this act constitute appropriate reimbursement for costs for any new programs or increased level of service for purposes of RCW 43.135.060, including distributions to juvenile court administrators for costs related to processing truancy, children in need of services, and at-risk youth petitions.

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

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

(4) $4,339,000 of the judicial information systems account—state appropriation is provided solely for the expedited data exchange project, also known as the information network hub project that began during the 2015-2017 fiscal biennium.

(5) $10,000,000 of the judicial information systems account—state appropriation is provided solely for other information technology costs, excluding the projects separately funded in subsections (3) and (4) of this section. The appropriation is further conditioned that replacement and upgrades of computer equipment at local courts and the courts of limited jurisdiction case management system replacement project be given priority over all other expenditures. Future costs for the courts of limited jurisdiction case management system replacement project must be funded entirely from judicial information system account funds in future biennia. The office is expected to manage within appropriated amounts and shall make no commitments with the use of this appropriation that would require the total appropriations from the judicial information system account for 2019-2021 biennium exceed the amount provided for during the 2017-2019 biennium.

(6) $213,000 of the general fund—state appropriation for fiscal year 2018 and $210,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for two full-time equivalent staff for dedicated policy development and support for the Washington state superior court judges association as part of an agreement between the association and the office.

(7) $61,000 of the general fund—state appropriation for fiscal year 2018 and $58,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Substitute Senate Bill No. 5577 (incapacitated persons/rights). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(8) $1,093,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Senate Bill No. 5866 (tax appeals court). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF PUBLIC DEFENSE**

General Fund—State Appropriation (FY 2018) $40,169,000

General Fund—State Appropriation (FY 2019) $40,131,000

Judicial Stabilization Trust Account—State

Appropriation $41,000

TOTAL APPROPRIATION $80,341,000

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

(1) $900,000 of the general fund—state appropriation for fiscal year 2018 and $900,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the purpose of improving the quality of trial court public defense services. Funds must be distributed fifty percent to counties and fifty percent to cities, according to the requirements established in RCW 10.101.070 (1) and (2) for counties and 10.101.080 (1) through (3) for cities.

(2) $320,000 of the general fund—state appropriation for fiscal year 2018 and $320,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the parent for parent programs in Grays Harbor/Pacific, King, Kitsap, Pierce, Snohomish, Spokane, and Thurston/Mason counties; expand services in appropriate locations; and provide for program administration.

(3) $254,000 of the general fund—state appropriation for fiscal year 2018 and $278,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the expansion of the parents representation program into Lincoln, Okanogan, and San Juan counties.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF CIVIL LEGAL AID**

General Fund—State Appropriation (FY 2018) $8,974,000

General Fund—State Appropriation (FY 2019) $8,981,000

Judicial Stabilization Trust Account—State

Appropriation $10,023,000

TOTAL APPROPRIATION $27,978,000

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

NEW SECTION. **Sec.**  **FOR THE OFFICE OF THE GOVERNOR**

General Fund—State Appropriation (FY 2018) $5,566,000

General Fund—State Appropriation (FY 2019) $5,537,000

TOTAL APPROPRIATION $11,103,000

The appropriations in this section are subject to the following conditions and limitations: $703,000 of the general fund—state appropriation for fiscal year 2018 and $703,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the office of the education ombuds.

NEW SECTION. **Sec.**  **FOR THE LIEUTENANT GOVERNOR**

General Fund—State Appropriation (FY 2018) $632,000

General Fund—State Appropriation (FY 2019) $641,000

General Fund—Local Appropriation $90,000

TOTAL APPROPRIATION $1,363,000

NEW SECTION. **Sec.**  **FOR THE PUBLIC DISCLOSURE COMMISSION**

General Fund—State Appropriation (FY 2018) $2,730,000

General Fund—State Appropriation (FY 2019) $2,715,000

TOTAL APPROPRIATION $5,445,000

NEW SECTION. **Sec.**  **FOR THE SECRETARY OF STATE**

General Fund—State Appropriation (FY 2018) $14,919,000

General Fund—State Appropriation (FY 2019) $13,054,000

General Fund—Federal Appropriation $7,685,000

Public Records Efficiency, Preservation & Access

Account—State Appropriation $9,052,000

Charitable Organization Education Account—State

Appropriation $673,000

Washington State Heritage Center Account—State

Appropriation $10,092,000

Local Government Archives Account—State

Appropriation $8,139,000

Election Account—Federal Appropriation $4,387,000

Performance Audits of Government Account—State

Appropriation $426,000

TOTAL APPROPRIATION $68,427,000

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

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

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

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

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

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

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

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

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

(3) $142,000 of the performance audits of government account—state appropriation for fiscal year 2018 is provided solely for election costs for Substitute Senate Bill No. 5533 (gubernatorial campaign finance). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(4) $142,000 of the performance audits of government account—state appropriation for fiscal year 2018 is provided solely for election costs for Substitute Senate Bill No. 5607 (education). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(5) $142,000 of the performance audits of government account—state appropriation for fiscal year 2018 is provided solely for election costs for Senate Joint Resolution No. 8204 (individual income tax prohibition). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(6) $841,000 of the general fund—state appropriation for fiscal year 2018 and $841,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the state library to purchase statewide online access to the information technology academy to allow public access to online courses and learning resources through public libraries.

NEW SECTION. **Sec.**  **FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**

General Fund—State Appropriation (FY 2018) $281,000

General Fund—State Appropriation (FY 2019) $264,000

TOTAL APPROPRIATION $545,000

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

NEW SECTION. **Sec.**  **FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS**

General Fund—State Appropriation (FY 2018) $247,000

General Fund—State Appropriation (FY 2019) $252,000

TOTAL APPROPRIATION $499,000

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER**

State Treasurer's Service Account—State Appropriation $18,341,000

NEW SECTION. **Sec.**  **FOR THE STATE AUDITOR**

General Fund—State Appropriation (FY 2018) $28,000

General Fund—State Appropriation (FY 2019) $32,000

Auditing Services Revolving Account—State

Appropriation $10,001,000

Performance Audits of Government Account—State

Appropriation $3,762,000

TOTAL APPROPRIATION $13,823,000

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

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

(2) $1,000,000 of the performance audits of government account—state appropriation is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5465 (corrections ombuds) or Engrossed Senate Bill No. 5294 (department of corrections). If neither of these bills is enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(3) $250,000 of the performance audit of state government—state appropriation is provided solely for the review, monitoring, and evaluation of the agency lean performance management system and excellence assessments required of the health care authority under section 213 of this act and department of commerce homeless assistance programs and office of youth prevention and protection programs under section 128 of this act. The state auditor must provide the governor and the appropriate committees of the legislature with quarterly assurance reports of the agencies' activities and progress.

(4) $774,000 of the performance audit of government—state appropriation is provided solely for the state auditor's office to conduct a performance audit of the department of health focused on the fee setting for each health profession licensed by the department. The performance audit must include, but is not limited to:

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

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

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

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

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

(5) $200,000 of the performance audits of government account—state appropriation and $133,000 of the audit services revolving account—state appropriation are provided solely for implementation of Substitute Senate Bill No. 5864 (ending homelessness). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS**

General Fund—State Appropriation (FY 2018) $196,000

General Fund—State Appropriation (FY 2019) $193,000

TOTAL APPROPRIATION $389,000

NEW SECTION. **Sec.**  **FOR THE ATTORNEY GENERAL**

General Fund—State Appropriation (FY 2018) $4,356,000

General Fund—State Appropriation (FY 2019) $1,300,000

General Fund—Federal Appropriation $6,952,000

Public Service Revolving Account—State Appropriation $2,301,000

New Motor Vehicle Arbitration Account—State

Appropriation $1,119,000

Medicaid Fraud Penalty Account—State Appropriation $3,240,000

Child Rescue Fund—State Appropriation $500,000

Legal Services Revolving Account—State Appropriation $231,851,000

Tobacco Prevention and Control Account—State

Appropriation $273,000

TOTAL APPROPRIATION $251,892,000

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

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

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

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

(4) $2,301,000 of the public service revolving account—state appropriation is provided solely for the work of the public counsel section of the office of the attorney general.

(5) $353,000 of the general fund—state appropriation for fiscal year 2018 and $353,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a grant to the Washington coalition of crime victim advocates to provide training, certification, and technical assistance for crime victim service center advocates.

(6) The general fund—state appropriations in this section have been reduced to reflect the use of increased general fund local revenues from the state being a party to the national Volkswagen settlement. The office of attorney general must continue to prosecute sexually violent predator petitions on behalf of counties under RCW 71.09.020 and 71.09.030 using the local funds the office received from the settlement.

(7) $92,000 of the general fund—state appropriation for fiscal year 2018 and $91,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of Engrossed Senate Bill No. 5021 (pro bono legal services/military). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(8) $40,000 of the legal services revolving account—state appropriation is provided solely for the implementation of Senate Bill No. 5230 (small business owners). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(9) $138,000 of the legal services revolving account—state appropriation is provided solely for the implementation of Engrossed Senate Bill No. 5294 (department of corrections) or Engrossed Second Substitute Senate Bill No. 5465 (corrections ombuds). If neither of these bills is enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(10) $78,000 of the general fund—state appropriation for fiscal year 2018 and $62,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5312 (criminal record/employment). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(11) $49,000 of the legal services revolving account—state appropriation is provided solely for the implementation of Substitute Senate Bill No. 5577 (incapacitated persons/rights). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(12) $276,000 of the general fund—state appropriation for fiscal year 2018 and $259,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of Second Substitute Senate Bill No. 5835 (health outcomes/pregnancy). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE CASELOAD FORECAST COUNCIL**

General Fund—State Appropriation (FY 2018) $1,506,000

General Fund—State Appropriation (FY 2019) $1,488,000

TOTAL APPROPRIATION $2,994,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF COMMERCE**

General Fund—State Appropriation (FY 2018) $32,620,000

General Fund—State Appropriation (FY 2019) $31,533,000

General Fund—Federal Appropriation $295,336,000

General Fund—Private/Local Appropriation $8,480,000

Drinking Water Assistance Account—State Appropriation $20,000

Public Works Assistance Account—State Appropriation $7,714,000

Drinking Water Assistance Administrative Account—State

Appropriation $502,000

Lead Paint Account—State Appropriation $224,000

Building Code Council Account—State Appropriation $15,000

Economic Development Strategic Reserve Account—State

Appropriation $5,660,000

Liquor Excise Tax Account—State Appropriation $643,000

Home Security Fund Account—State Appropriation $47,824,000

Energy Freedom Account—State Appropriation $6,000

Affordable Housing for All Account—State

Appropriation $12,859,000

Financial Fraud and Identity Theft Crimes

Investigation and Prosecution Account—State

Appropriation $1,974,000

Low-Income Weatherization and Structural Rehab.

Assistance Account—State Appropriation $1,398,000

Community and Economic Development Fee Account—State

Appropriation $4,591,000

Financial Service Regulation Account—State

Appropriation $468,000

Liquor Revolving Account—State Appropriation $4,966,000

Washington Housing Trust Account—State Appropriation $13,497,000

Prostitution Prevention and Intervention Account—State

Appropriation $26,000

Performance Audits of Government Account—State

Appropriation $525,000

Public Facility Construction Loan Revolving Account—State

Appropriation $810,000

TOTAL APPROPRIATION $471,691,000

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

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

(2) $1,440,000 of the home security fund account—state appropriation for fiscal year 2019 is provided solely to add 100 new low and no-barrier housing beds for people with a criminal history, substance abuse disorder, and/or mental illness. Currently, there is little to no housing specific to populations with these co-occurring disorders; therefore, the department must consider how best to develop new bed capacity in combination with individualized support services, such as intensive case management and care coordination, clinical supervision, mental health, substance abuse treatment, and vocational and employment services. Case-management and care coordination services must be provided. Increased case-managed housing will help to reduce the use of jails and emergency services and will help to reduce admissions to the state psychiatric hospitals.

(3) $2,460,000 of the home security fund account—state appropriation is provided solely to add 128 community beds to address the need for increased permanent supportive housing for individuals with a history of mental illness. Priority must be given to individuals on the discharge list at the state psychiatric hospitals, where residential placements present significant barriers to timely discharge. The department of commerce must contract with local entities to provide a mix of shared supportive housing and independent housing.

(4) $500,000 of the general fund—state appropriation for fiscal year 2018 and $500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a grant to resolution Washington to building statewide capacity for alternative dispute resolution centers and dispute resolution programs that guarantee that citizens have access to low-cost resolution as an alternative to litigation.

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

(6) $1,000,000 of the general fund—state appropriation for fiscal year 2018 and $1,000,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the Washington new Americans program.

(7) $5,602,000 of the economic development strategic reserve account—state appropriation is provided solely for associate development organizations. During the 2017-2019 fiscal biennium, the department shall consider an associate development organization's total resources when making contracting and fund allocation decisions, in addition to the schedule provided in RCW 43.330.086.

(8) $5,607,000 of the liquor revolving account—state appropriation is provided solely for the department to contract with the municipal research and services center of Washington subject the following conditions and limitations: The department must provide a report to the fiscal committees of the legislature on options for the municipal research and services center to become self-sustaining without a state appropriation. If the report is not received by November 1, 2018, $1,400,000 of the liquor revolving account—state appropriation shall lapse and remain unexpended.

(9) $150,000 of the general fund—state appropriation for fiscal year 2018 and $150,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the regulatory roadmap program to complete existing projects in the construction industry and to identify and coordinate with businesses in key industry sectors to develop additional regulatory roadmap tools.

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

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

(12) $643,000 of the general fund—state appropriation for fiscal year 2018 and $643,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to contract with a private, nonprofit organization to provide developmental disability ombudsman services.

(13) $557,000 of the general fund—state appropriation for fiscal year 2018 and $557,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to provide staff and administrative support to the achieving a better life experience program governing board.

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

(15) $1,448,000 of the general fund—state appropriation for fiscal year 2018 and $1,448,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the long-term care ombuds program.

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

(17)(a) $80,000 of the general fund—state appropriation for fiscal year 2016 and $80,000 of the general fund—state appropriation for fiscal year 2017 are provided solely as a grant to Klickitat county for a land use planner to assist with planning and processing of permits by the Columbia River gorge commission. As a condition of the receipt of funds, development review application by the commission must meet the following performance standards:

(i) Development review applications must be completed within fourteen days of receipt;

(ii) Decisions on applications must be issued within seventy-two days after an application is complete, except expedited review applications, which are to be issued within thirty days after an application is complete.

(b) If the department determines that the commission has failed to achieve these performance standards on any development application, any amount provided that has not yet been expended shall lapse and remain unexpended.

(c) Within existing resources, the department and the Columbia River gorge commission will prepare a report addressing compliance with the performance measure that is due to the legislature annually on December 1, 2017, and December 1, 2018.

(18) $18,734,000 of the home security fund—state appropriation and $7,860,000 of the affordable housing for all account—state appropriation are provided solely for the consolidated homeless grant. Of the amount appropriated, $5,000,000 is provided solely for emergency assistance to homeless families in the temporary assistance for needy families program.

(19) $14,225,000 of the home security fund—state appropriation is provided solely for the department to contract for services pursuant to RCW 13.32A.030 and 74.15.220. The department shall contract and collaborate with service providers in a manner that maintains the availability and geographic representation of secure and semi-secure crisis residential centers and HOPE centers. To achieve efficiencies and increase utilization, the department shall allow the colocation of these centers, except that a youth may not be placed in a secure facility or the secure portion of a colocated facility except as specifically authorized by chapter 13.32A RCW.

(20) $1,800,000 of the home security fund—state appropriation is provided solely for transitional housing assistance or partial payments for rental assistance under the independent youth housing program.

(21) $2,621,000 of the home security fund—state appropriation is provided solely for street youth services. Of the amount appropriated, $120,000 is provided solely for increasing services in south King county. The department must distribute funds using performance based contracts that include metrics and outcomes for which performance may be assessed, including the percent of youth served who return to stable housing. Performance reports from street youth service providers must be required quarterly. The department must assess each provider's performance on an annual basis, including actions providers must take to improve performance to meet contract expectations.

(22) $868,000 of the home security fund—state appropriation is provided solely for administration of the office of homeless youth prevention and protection programs. The office must identify service gaps for youth and young adults who are homeless or at risk of homelessness. The office shall further lead efforts to improve data collection, help ensure services are available statewide, and assure that programs fulfill federal regulations and guidelines for preventing and ending youth homelessness.

(23) $3,914,000 of the home security fund—state appropriation and $1,600,000 of the Washington housing trust account—state appropriation are provided solely for the department to decrease homelessness of youth under 18 years of age though increasing shelter capacity statewide with preference given to increasing the number of contracted HOPE beds and crisis residential center beds. Of the appropriated amounts, $250,000 of the home security fund—state appropriation is provided solely for a homeless youth shelter in the city of Walla Walla.

(24) $500,000 of the home security fund—state appropriation is provided solely for funds grants to public partner organizations to test new models to prevent youth from exiting systems into homelessness.

(25) $3,000,000 of the Washington housing trust account—state appropriation is provided solely for the department of commerce for services to homeless families through the Washington youth and families fund.

(26) $375,000 of the general fund—state appropriation for fiscal year 2018 and $375,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a grant to the retired senior volunteer program.

(27) $375,000 of the general fund—state appropriation for fiscal year 2018 and $375,000 of the general fund—state appropriation for fiscal year 2019 are provided solely as pass-through funding to Walla Walla Community College for its water and environmental center.

(28) $468,000 of the financial services regulation account—state appropriation is provided solely for the family prosperity account program.

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

(30) $102,000 of the general fund—state appropriation for fiscal year 2018 and $75,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of Engrossed Senate Bill No. 5128 (incremental electricity). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(31) $94,000 of the general fund—state appropriation for fiscal year 2018 and $253,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of Engrossed Senate Bill No. 5577 (incapacitated persons rights). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(32) $525,000 of the performance audit of state government—state appropriation is provided solely for the department to develop an agency lean performance management system by June 30, 2018, and to complete an excellence assessment by June 30, 2019, for its homeless assistance program and its office of youth prevention and protection programs. The agency lean performance management system must provide for (a) gathering, monitoring, and analysis of data to measure performance and eliminate waste and inefficiency in agency operations; (b) conforming to an internationally recognized quality management system; (c) allocating resources to improve performance; and (d) setting a goal and including all activities and requirements necessary to reduce agency costs by one percent annually within two years of adoption. The excellence assessment must be an assessment of the authority's operational performance by a trained national or state examiner using an excellence framework published by the national institutes of standards and technology, United States department of commerce.

(33) $50,000 of the general fund—state appropriation for fiscal year 2018 and $50,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the wildfire project, a nonprofit affiliate of the Wenatchee valley museum and cultural center, to provide public education within the state on wildfire and forest health issues through presentations, exhibits, and film.

(34) $50,000 of the economic development strategic reserve account—state appropriation is provided solely to the designed innovation partnership zone of the city of Issaquah to host a regional or national sports medicine conference.

(35) $60,000 of the general fund—state appropriation for fiscal year 2018 is provided solely as a grant to the Hoh Indian Tribe for critical infrastructure, including a backup electrical power generator to address recurrent power outages in the community.

(36) $50,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the department to contract with a local associate development organization serving Pierce or King county to conduct a study on the current state of data center industry in Washington and whether changes to existing state policies would result in additional investment and job creation in Washington as well as advance the development of the state's technology ecosystems. The study is due to the appropriate committees of the legislature by December 1, 2017.

(37) $1,475,000 of the general fund—state appropriation for fiscal year 2018 and $1,525,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Substitute Senate Bill No. 5864 (ending homelessness). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(38) $300,000 of the general fund—state appropriation for fiscal year 2018 and $300,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the northwest agriculture business center.

(39) $3,750,000 of the general fund—state appropriation for fiscal year 2018 and $3,750,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for homelessness assistance for an individual who is incapacitated from gainful employment that is likely to continue for at least 90 days; are citizens or aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law; are homeless or at substantial risk of homelessness; and have a dependent child within the household.

(40) $600,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the William D. Ruckelshaus center to prepare a roadmap for Washington's future that recommends improvements to the state's growth planning framework and identifies areas of agreement for reforms needed to maintain and improve Washington's economic, environment, and human health. The roadmap must include a comprehensive review of the growth management act, the state environmental policy act, and shoreline management act. The work must also include regional workshops across the state to engage citizen and community involvement to shape the roadmap.

(41) $5,000,000 of the general fund—state appropriation for fiscal year 2018 and $5,000,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the housing and essential needs program pursuant to RCW 43.185C.220 and 74.04.805.

(42) $500,000 of the general fund—state appropriation for 2018 is provided solely for the department to formulate a statewide tourism marketing plan in collaboration with a nonprofit statewide tourism organization as provided for in Substitute Senate Bill No. 5251.

(43) $100,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for Safe Yakima.

NEW SECTION. **Sec.**  **FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL**

General Fund—State Appropriation (FY 2018) $828,000

General Fund—State Appropriation (FY 2019) $883,000

Lottery Administrative Account—State Appropriation $50,000

TOTAL APPROPRIATION $1,761,000

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

General Fund—State Appropriation (FY 2018) $9,034,000

General Fund—State Appropriation (FY 2019) $9,190,000

General Fund—Federal Appropriation $39,671,000

General Fund—Private/Local Appropriation $501,000

Economic Development Strategic Reserve Account—State

Appropriation $313,000

Personnel Service Account—State Appropriation $8,483,000

Higher Education Personnel Services Account—State

Appropriation $1,497,000

Statewide Information Technology System Development

Revolving Account—State Appropriation $6,503,000

Performance Audits of Government Account—State

Appropriation $594,000

Office of Financial Management Central Service

Account—State Appropriation $19,237,000

TOTAL APPROPRIATION $95,023,000

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

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

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

(i) The number of state need grant recipients;

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

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

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

(v) State need grant program costs.

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

(3) $4,503,000 of the statewide information technology system development revolving account—state appropriation is provided solely for readiness activities related to the One Washington replacement project to modernize and improve administrative systems and related business processes across state government over a multi-biennia time period and this project is subject to the conditions, limitations, and review provided in section 724 of this act. The funding provided in this subsection is for conducting business warehouse planning and system integrations and contracting with a strategic partner for the design of the long-term program blueprint detailing the readiness, planning, and implementation activities related to this project. Legislative expectation is that the strategic partner selected for this design of this long-term blueprint will have proven experience in successfully managing similar efforts in other states or jurisdictions and that the ultimate project scope will integrate performance information and provide information on discrete units of costs for state governmental activities with the goal of improved management and efficiency. The office of financial management will provide the needed management support for this design effort and will ensure that state agencies fully participate in this initial design effort, including the office of chief information officer. The office of financial management will provide quarterly reports to the legislative fiscal committees and the legislative evaluation and accountability program committee. Before submitting additional funding requests for this project, the office of financial management will submit a comprehensive detailed feasibility study and financial plan for the project to the legislative evaluation and accountability program committee.

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

(5) $140,000 of the general fund—state appropriation for fiscal year 2018 and $140,000 of the general fund—federal appropriation are provided solely for the office of financial management to develop a state inpatient psychiatric managed care capitation risk model. The model shall be submitted to the governor and appropriate committees of the legislature by December 31, 2017. The model must integrate inpatient psychiatric hospitals services into the managed care capitation rate, including commitments for medicaid and nonmedicaid covered individuals. The model should phase-in the financial risk such that managed care organizations bear full financial risk for civil inpatient psychiatric hospital commitments beginning January 2020.

(6) $88,000 of the general fund—state appropriation for fiscal year 2018 and $210,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Substitute Senate Bill No. 5443 (dynamic fiscal notes). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

Administrative Hearings Revolving Account—State

Appropriation $37,603,000

NEW SECTION. **Sec.**  **FOR THE WASHINGTON STATE LOTTERY**

Lottery Administrative Account—State Appropriation $27,241,000

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

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

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

NEW SECTION. **Sec.**  **FOR THE COMMISSION ON HISPANIC AFFAIRS**

General Fund—State Appropriation (FY 2018) $252,000

General Fund—State Appropriation (FY 2019) $257,000

TOTAL APPROPRIATION $509,000

NEW SECTION. **Sec.**  **FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**

General Fund—State Appropriation (FY 2018) $261,000

General Fund—State Appropriation (FY 2019) $243,000

TOTAL APPROPRIATION $504,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—OPERATIONS**

Department of Retirement Systems Expense Account—State

Appropriation $53,816,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF REVENUE**

General Fund—State Appropriation (FY 2018) $131,367,000

General Fund—State Appropriation (FY 2019) $128,659,000

Timber Tax Distribution Account—State Appropriation $6,598,000

Business License Account—State Appropriation $26,140,000

Waste Reduction/Recycling/Litter Control—State

Appropriation $144,000

Financial Services Regulatory Account—State

Appropriation $5,000,000

State Toxics Control Account—State Appropriation $103,000

TOTAL APPROPRIATION $298,011,000

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

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

(2) $2,084,000 of the business license account—state appropriation is provided solely for the implementation of Engrossed Substitute Senate Bill No. 5777 (municipal business licenses). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(3) The department must renegotiate the contract for the collection and distribution of the Regional Transit Authority sales tax under RCW 81.104.107 and the Regional Transit Authority rental car tax under RCW 81.104.160 so that the administration fee for the collection and distribution of the taxes is set at one percent. This new contract must be in place by January 1, 2018.

(4) $3,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the implementation of Senate Bill No. 5205 (martial arts). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE BOARD OF TAX APPEALS**

General Fund—State Appropriation (FY 2018) $1,340,000

General Fund—State Appropriation (FY 2019) $1,377,000

TOTAL APPROPRIATION $2,677,000

NEW SECTION. **Sec.**  **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

Office of Minority and Women's Business Enterprises

Account—State Appropriation $4,703,000

NEW SECTION. **Sec.**  **FOR THE INSURANCE COMMISSIONER**

General Fund—Federal Appropriation $4,591,000

Insurance Commissioners Regulatory Account—State

Appropriation $57,704,000

TOTAL APPROPRIATION $62,295,000

The appropriations in this section are subject to the following conditions and limitations: $79,000 of the insurance commissioners regulatory account—state appropriation is provided solely for implementation of Engrossed Senate Bill No. 5629 (rights and duties for title insurance rating and advisory organizations). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE STATE INVESTMENT BOARD**

State Investment Board Expense Account—State

Appropriation $46,881,000

NEW SECTION. **Sec.**  **FOR THE LIQUOR AND CANNABIS BOARD**

General Fund—State Appropriation (FY 2018) $358,000

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

General Fund—Federal Appropriation $2,850,000

General Fund—Private/Local Appropriation $50,000

Dedicated Marijuana Account—State Appropriation

 (FY 2018) $9,400,000

Dedicated Marijuana Account—State Appropriation

 (FY 2019) $8,696,000

Liquor Revolving Account—State Appropriation $69,419,000

TOTAL APPROPRIATION $91,132,000

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

(1) $1,420,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $885,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for the traceability system replacement project and are subject to the conditions, limitations, and review provided in section 724 of this act. If Senate Bill No. 5130 is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

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

(3) $282,000 of the liquor revolving account—state appropriation is provided solely for the implementation of Substitute Senate Bill No. 5161 (theater licenses). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(4) $589,000 of the liquor revolving account—state appropriation is provided solely for the implementation of Substitute Senate Bill No. 5165 (snack bar licenses). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(5) $1,106,000 of the liquor revolving account—state appropriation is provided solely for the implementation of Engrossed Substitute Senate Bill No. 5781 (special occasions and banquets). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(6) $57,000 of the liquor revolving account—state appropriation is provided solely for the implementation of Engrossed Senate Bill No. 5834 (bonded spirits warehouses). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

General Fund—Private/Local Appropriation $16,390,000

Public Service Revolving Account—State Appropriation $39,199,000

Pipeline Safety Account—State Appropriation $3,352,000

Pipeline Safety Account—Federal Appropriation $3,014,000

TOTAL APPROPRIATION $61,955,000

The appropriations in this section are subject to the following conditions and limitations: $2,093,000 of the public service revolving account—state appropriation is provided solely for the commission to cover the costs of moving its offices to a new location, in cooperation with the department of enterprise services.

NEW SECTION. **Sec.**  **FOR THE MILITARY DEPARTMENT**

General Fund—State Appropriation (FY 2018) $7,873,000

General Fund—State Appropriation (FY 2019) $7,615,000

General Fund—Federal Appropriation $117,339,000

Enhanced 911 Account—State Appropriation $54,239,000

Disaster Response Account—State Appropriation $24,207,000

Disaster Response Account—Federal Appropriation $59,060,000

Military Department Rent and Lease Account—State

Appropriation $1,115,000

Worker and Community Right-to-Know Account—State

Appropriation $2,318,000

Oil Spill Prevention Account—State Appropriation $1,006,000

TOTAL APPROPRIATION $274,772,000

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

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

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

(3) $784,000 of the disaster response account—state appropriation is provided solely for fire suppression training and equipment to national guard soldiers and airmen.

(4) $100,000 of the general fund—state appropriation for fiscal year 2018 and $100,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the conditional scholarship program pursuant to chapter 28B.103 RCW.

(5) $200,000 of the general fund—state appropriation for fiscal year 2018, $200,000 of the general fund—state appropriation for fiscal year 2019, and $500,000 of the military department rent and lease account—state appropriation is provided solely for implementation of Substitute Senate Bill No. 5405 (national guard facilities). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(6) $18,700,000 of the enhanced 911 account—state appropriation is provided solely for financial assistance to counties.

(7) $250,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the emergency management division to conduct a comprehensive study and make recommendations for the lahar and seismic activity warning system as the issue relates to potential debris flows originating from Mount Rainier and affected surrounding communities. The study should identify current capabilities by county, potential enhancements, and the opportunities and challenges to using existing cellular based systems such as reverse 911. A report to the appropriate committees of the legislature is due June 30, 2018.

(8) $2,000,000 of the enhanced 911 account—state appropriation is provided solely for one-time grants to small, rural counties for replacement of equipment necessary to maintain 911 service after the state's transition to a next generation 911 system.

NEW SECTION. **Sec.**  **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

Personnel Service Account—State Appropriation $7,640,000

Higher Education Personnel Services Account—State

Appropriation $1,223,000

TOTAL APPROPRIATION $8,863,000

NEW SECTION. **Sec.**  **FOR THE BOARD OF ACCOUNTANCY**

Certified Public Accountants' Account—State

Appropriation $2,799,000

NEW SECTION. **Sec.**  **FOR THE FORENSIC INVESTIGATION COUNCIL**

Death Investigations Account—State Appropriation $632,000

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

(1) $250,000 of the death investigations account—state appropriation is provided solely for providing financial assistance to local jurisdictions in multiple death investigations. The forensic investigation council shall develop criteria for awarding these funds for multiple death investigations involving an unanticipated, extraordinary, and catastrophic event or those involving multiple jurisdictions.

(2) $210,000 of the death investigations account—state appropriation is provided solely for providing financial assistance to local jurisdictions in identifying human remains.

(3) $130,000 of the death investigations account appropriation is provided solely for the council to establish a statewide case management system for coroners and medical examiners. The council must confer with the state association of coroners and medical examiners in the section of the system.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF ENTERPRISE SERVICES**

General Fund—State Appropriation (FY 2018) $4,335,000

General Fund—State Appropriation (FY 2019) $4,321,000

General Fund—Private/Local Appropriation $102,000

Building Code Council Account—State Appropriation $1,036,000

TOTAL APPROPRIATION $9,794,000

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

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

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

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

(4) $3,998,000 of the general fund—state appropriation for fiscal year 2018 and $3,998,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, legislative support services, joint legislative systems committee, and office of support services. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall maintain an interagency agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.

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

NEW SECTION. **Sec.**  **FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

Volunteer Firefighters' and Reserve Officers' Administrative

Account—State Appropriation $1,183,000

The appropriation in this section is subject to the following conditions and limitations: $128,000 of the volunteer firefighters' and reserve officers' relief and pension administrative account—state appropriation for fiscal year 2018 and $128,000 of the volunteer firefighters' and reserve officers' relief and pension administrative account—state appropriation for fiscal year 2019 are provided solely to the pension and benefit tracking system project and are subject to the conditions, limitations, and review provided in section 724 of this act.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION**

General Fund—State Appropriation (FY 2018) $1,561,000

General Fund—State Appropriation (FY 2019) $1,570,000

General Fund—Federal Appropriation $2,143,000

General Fund—Private/Local Appropriation $14,000

TOTAL APPROPRIATION $5,288,000

The appropriations in this section are subject to the following conditions and limitations: $103,000 of the general fund—state appropriation for fiscal year 2018 and $103,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for archaeological determinations and excavations of inadvertently discovered skeletal human remains, and removal and reinterment of such remains when necessary.

NEW SECTION. **Sec.**  **FOR THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY**

Consolidated Technology Services Revolving Account—State

Appropriation $16,857,000

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

(1) $7,445,000 of the consolidated technology services revolving account—state appropriation is for the office of the chief information officer.

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

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

(4) $9,094,000 of the consolidated technology services revolving account—state appropriation is provided solely for the office of cyber security.

(5) The consolidated technology services agency must not increase fees charged for existing services without prior approval by the office of financial management. Fees for desktop support services must not exceed those paid by agencies in fiscal year 2016. The agency may develop fees to recover the actual cost of new infrastructure to support increased use of cloud technologies. Expenditures of the consolidated technology services agency must not exceed revenues.

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

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

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

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

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

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

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

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

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

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

(8) Within existing resources, the agency, in collaboration with the office of financial management, must review options for selling the state data center and make recommendations to the legislature.

**PART II**

**HUMAN SERVICES**

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**

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

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

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

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

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

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

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

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—CHILDREN AND FAMILY SERVICES PROGRAM**

General Fund—State Appropriation (FY 2018) $334,283,000

General Fund—State Appropriation (FY 2019) $338,839,000

General Fund—Federal Appropriation $518,667,000

General Fund—Private/Local Appropriation $2,954,000

Domestic Violence Prevention Account—State

Appropriation $2,004,000

Child Welfare System Improvement Account—State

Appropriation $8,342,000

TOTAL APPROPRIATION $1,205,089,000

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

(1) $748,000 of the general fund—state appropriation for fiscal year 2018 and $748,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to contract for the operation of one pediatric interim care center. The center shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the center must be in need of special care as a result of substance abuse by their mothers. The center shall also provide on-site training to biological, adoptive, or foster parents. The center shall provide at least three months of consultation and support to the parents accepting placement of children from the center. The center may recruit new and current foster and adoptive parents for infants served by the center. The department shall not require case management as a condition of the contract.

(2) $253,000 of the general fund—state appropriation for fiscal year 2018 and $253,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the costs of the eight existing hub home foster families that provide a foster care delivery model that includes a licensed hub home. Use of the hub home model is intended to support foster parent retention, improve child outcomes, and encourage the least restrictive community placements for children in out-of-home care.

(3) $579,000 of the general fund—state appropriation for fiscal year 2018, $579,000 of the general fund—state appropriation for fiscal year 2019, and $109,000 of the general fund—federal appropriation are provided solely for a receiving care center east of the Cascade mountains.

(4) $990,000 of the general fund—state appropriation for fiscal year 2018 and $990,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for services provided through children's advocacy centers.

(5) $1,351,000 of the general fund—state appropriation for fiscal year 2018 and $1,351,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of performance-based contracts for family support and related services pursuant to RCW 74.13B.020.

(6) $9,474,000 of the general fund—state appropriation for fiscal year 2018, $7,173,000 of the general fund—state appropriation for fiscal year 2019 and $12,043,000 of the general fund—federal appropriation, are provided solely for family assessment response.

(7) $94,000 of the general fund—state appropriation for fiscal year 2018 and $94,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a contract with a child advocacy center in Spokane to provide continuum of care services for children who have experienced abuse or neglect and their families.

(8)(a) $539,000 of the general fund—state appropriation for fiscal year 2018, $540,000 of the general fund—state appropriation for fiscal year 2019, $656,000 of the general fund private/local appropriation, and $253,000 of the general fund—federal appropriation are provided solely for a contract with an educational advocacy provider with expertise in foster care educational outreach. The amounts in this subsection are provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems and to assure a focus on education during the department's transition to performance-based contracts. Funding must be prioritized to regions with high numbers of foster care youth, or regions where backlogs of youth that have formerly requested educational outreach services exist. The children's administration is encouraged to use private matching funds to maintain educational advocacy services.

(b) The children's administration shall contract with the office of the superintendent of public instruction, which in turn shall contract with a nongovernmental entity or entities to provide educational advocacy services pursuant to chapter 71, Laws of 2016.

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

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

(11) $97,000 of the general fund—state appropriation for fiscal year 2018 and $97,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a one percent rate increase for licensed family child care providers; a $1.25 per hour increase for family, friends and neighbor providers; and a 4.25 percent increase in health insurance premium coverage.

(12) $207,000 of the general fund—state appropriation for fiscal year 2018 and $208,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a one percent base rate increase for child care center providers.

(13) $160,000 of the general fund—state appropriation for fiscal year 2018 and $3,000 of the general fund—federal appropriation are provided solely for implementation of Second Substitute Senate Bill No. 5749 (children's mental health). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(14) $25,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for an entity in Yakima county to provide advocacy and support services to children in foster care.

(15) $250,000 of the general fund—state appropriation for fiscal year 2018 and $250,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to increase the travel reimbursement provided for the family preservation program.

(16) $2,051,000 of the child welfare system improvement account appropriation is provided solely for implementation of Substitute Senate Bill No. 5890 (foster care and adoption). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(17) $109,000 of the general fund—state appropriation for fiscal year 2018 and $106,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Substitute Senate Bill No. 5864 (ending homelessness). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—JUVENILE REHABILITATION PROGRAM**

General Fund—State Appropriation (FY 2018) $93,168,000

General Fund—State Appropriation (FY 2019) $92,747,000

General Fund—Federal Appropriation $3,464,000

General Fund—Private/Local Appropriation $1,985,000

Washington Auto Theft Prevention Authority Account—State

Appropriation $196,000

TOTAL APPROPRIATION $191,560,000

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

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

(2) $6,198,000 of the general fund—state appropriation for fiscal year 2018 and $6,198,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

(3) The juvenile rehabilitation administration shall implement alcohol and substance abuse treatment programs for locally committed offenders. Funding for this purpose is provided through a memorandum of understanding with the department of social and health services alcohol and substance abuse program. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

(4) $2,841,000 of the general fund—state appropriation for fiscal year 2018 and $2,841,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for grants to county juvenile courts for the following juvenile justice programs identified by the Washington state institute for public policy (institute) in its: "Inventory of Evidence-based, Research-based, and Promising Practices for Prevention and Intervention Services for Children and Juveniles in the Child Welfare, Juvenile Justice, and Mental Health Systems." Additional funding for this purpose is provided through a memorandum of understanding with the department of social and health services alcohol and substance abuse program. County juvenile courts shall apply to the juvenile rehabilitation administration for funding for program-specific participation and the administration shall provide grants to the courts consistent with the per-participant treatment costs identified by the institute.

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

(6)(a) The juvenile rehabilitation administration shall administer a block grant to county juvenile courts for the purpose of serving youth adjudicated in the county juvenile justice system. Funds dedicated to the block grant include: Consolidated juvenile service (CJS) funds, community juvenile accountability act (CJAA) grants, chemical dependency/mental health disposition alternative (CDDA), and suspended disposition alternative (SDA). The juvenile rehabilitation administration shall follow the following formula and will prioritize evidence-based programs and disposition alternatives and take into account juvenile courts program-eligible youth in conjunction with the number of youth served in each approved evidence-based program or disposition alternative: (i) Thirty-seven and one-half percent for the at-risk population of youth ten to seventeen years old; (ii) fifteen percent for moderate and high-risk youth; (iii) twenty-five percent for evidence-based program participation; (iv) seventeen and one-half percent for minority populations; (v) three percent for the chemical dependency disposition alternative; and (vi) two percent for the mental health and sentencing dispositional alternatives. Funding for the special sex offender disposition alternative (SSODA) shall not be included in the block grant, but allocated on the average daily population in juvenile courts. Funding for the evidence-based expansion grants shall be excluded from the block grant formula. Funds may be used for promising practices when approved by the juvenile rehabilitation administration and juvenile courts, through the community juvenile accountability act committee, based on the criteria established in consultation with Washington state institute for public policy and the juvenile courts.

(b) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee is to assess the ongoing implementation of the block grant funding formula, utilizing data-driven decision making and the most current available information. The committee will be cochaired by the juvenile rehabilitation administration and the juvenile courts, who will also have the ability to change members of the committee as needed to achieve its purpose. Initial members will include one juvenile court representative from the finance committee, the community juvenile accountability act committee, the risk assessment quality assurance committee, the executive board of the Washington association of juvenile court administrators, the Washington state center for court research, and a representative of the superior court judges association; two representatives from the juvenile rehabilitation administration headquarters program oversight staff, two representatives of the juvenile rehabilitation administration regional office staff, one representative of the juvenile rehabilitation administration fiscal staff and a juvenile rehabilitation administration division director. The committee may make changes to the formula categories other than the evidence-based program and disposition alternative categories if it is determined the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition alternative resulting in increased cost benefit savings to the state. Long-term cost benefit must be considered. Percentage changes may occur in the evidence-based program or disposition alternative categories of the formula should it be determined the changes will increase evidence-based program or disposition alternative delivery and increase the cost benefit to the state. These outcomes will also be considered in determining when evidence-based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

(c) The juvenile courts and administrative office of the courts shall be responsible for collecting and distributing information and providing access to the data systems to the juvenile rehabilitation administration and the Washington state institute for public policy related to program and outcome data. The juvenile rehabilitation administration and the juvenile courts will work collaboratively to develop program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(7) The juvenile courts and administrative office of the courts shall collect and distribute information related to program outcome and provide access to these data systems to the juvenile rehabilitation administration and Washington state institute for public policy. The agreements between administrative office of the courts, the juvenile courts, and the juvenile rehabilitation administration shall be executed to ensure that the juvenile rehabilitation administration receives the data that the juvenile rehabilitation administration identifies as needed to comply with this subsection. This includes, but is not limited to, information by program at the statewide aggregate level, individual court level, and individual client level for the purpose of the juvenile rehabilitation administration providing quality assurance and oversight for the locally committed youth block grant and associated funds and at times as specified by the juvenile rehabilitation administration as necessary to carry out these functions. The data shall be provided in a manner that reflects the collaborative work the juvenile rehabilitation administration and juvenile courts have developed regarding program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(8) $495,000 of the general fund—state appropriation for fiscal year 2018 and $495,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for funding of the teamchild project.

(9) $283,000 of the general fund—state appropriation for fiscal year 2018 and $283,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the juvenile detention alternatives initiative.

(10) $500,000 of the general fund—state appropriation for fiscal year 2018 and $500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a grant program focused on criminal street gang prevention and intervention. The juvenile rehabilitation administration may award grants under this subsection. The juvenile rehabilitation administration shall give priority to applicants who have demonstrated the greatest problems with criminal street gangs. Applicants composed of, at a minimum, one or more local governmental entities and one or more nonprofit, nongovernmental organizations that have a documented history of creating and administering effective criminal street gang prevention and intervention programs may apply for funding under this subsection. Each entity receiving funds must report to the juvenile rehabilitation administration on the number and types of youth served, the services provided, and the impact of those services on the youth and the community.

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

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

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—MENTAL HEALTH PROGRAM**

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund—State Appropriation (FY 2018) $383,695,000

General Fund—State Appropriation (FY 2019) $405,902,000

General Fund—Federal Appropriation $992,257,000

General Fund—Private/Local Appropriation $17,864,000

Dedicated Marijuana Account—State Appropriation

(FY 2018) $3,684,000

Dedicated Marijuana Account—State Appropriation

(FY 2019) $3,684,000

TOTAL APPROPRIATION $1,807,086,000

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

(a) For the purposes of this subsection, the term "regional support networks," includes, effective April 1, 2016, behavioral health organizations which assume the duties of regional support networks pursuant to chapter 225, Laws of 2014 (2SSB 6312).

(b) $81,180,000 of the general fund—state appropriation for fiscal year 2018 and $81,180,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for persons and services not covered by the medicaid program. To the extent possible, levels of regional support network spending shall be maintained in the following priority order: Crisis and commitment services; community inpatient services; and residential care services, including personal care and emergency housing assistance. The department must allow regional support networks to use medicaid capitation payments to provide services to medicaid enrollees that are in addition to those covered under the state plan in accordance with the conditions established under federal regulations governing medicaid managed care contracts and subject to federal approval by the center for medicaid and medicare services.

(c) $6,590,000 of the general fund—state appropriation for fiscal year 2018, $6,590,000 of the general fund—state appropriation for fiscal year 2019, and $7,620,000 of the general fund—federal appropriation are provided solely for the department and regional support networks to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to regional support networks with PACT teams, the department shall consider the differences between regional support networks in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The department may allow regional support networks which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under section 204(1)(e) of this act. The department and regional support networks shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

(d) The number of nonforensic beds allocated for use by behavioral health organizations at eastern state hospital shall be 192 per day. The number of nonforensic beds allocated for use by behavioral health organizations at western state hospital shall be 557 per day in fiscal year 2018. By transitioning patients with long term care needs into enhanced community settings and contracting with licensed local community hospitals for 48 local community hospital beds to provide treatment to individuals on a 90 or 180 day involuntary commitment order, the department must reduce the number of nonforensic beds allocated for use by behavioral health organizations at western state hospital to 497 beginning January 1, 2019. The department must allocate the 48 local community hospital beds to the behavioral health organizations according to the current allocation methodology for western state hospital beds as a replacement for the reduction in western state hospital beds.

(e) $5,571,000 of the general fund—state appropriation for fiscal year 2019 and $4,941,000 of the general fund—federal appropriation are provided solely for the department to contract with community hospitals for up to 48 beds certified for long-term inpatient psychiatric care, beginning January 1, 2019, to serve patients court-ordered for 90 or 180 day stays under the involuntary treatment act.

(f) $1,801,000 of the general fund—state appropriation for fiscal year 2018 and $1,811,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to implement an increase to inpatient psychiatric rates for care provided in community hospitals. The department will work with the health care authority and the office of financial management to implement this policy.

(g) From the general fund—state appropriations in this subsection, the secretary of social and health services shall assure that regional support networks reimburse the aging and disability services administration for the general fund—state cost of medicaid personal care services that enrolled regional support network consumers use because of their psychiatric disability.

(h) The department is authorized to continue to contract directly, rather than through contracts with regional support networks, for children's long-term inpatient facility services.

(i) $750,000 of the general fund—state appropriation for fiscal year 2018 and $750,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to continue performance-based incentive contracts to provide appropriate community support services for individuals with severe mental illness who were discharged from the state hospitals as part of the expanding community services initiative. These funds will be used to enhance community residential and support services provided by regional support networks through other state and federal funding.

(j) $1,125,000 of the general fund—state appropriation for fiscal year 2018 and $1,125,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the Spokane regional support network to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

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

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

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

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

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

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

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

(m) $2,291,000 of the general fund—state appropriation for fiscal year 2018 and $2,291,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement.

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

(o) $9,184,000 of the general fund—state appropriation for fiscal year 2018, $11,405,000 of the general fund—state appropriation for fiscal year 2019, and $17,680,000 of the general fund—federal appropriation are provided solely for enhancement of community mental health services. The department must contract these funds for the operation of community programs in which the department determines there is a need for capacity that allows individuals to be diverted or transitioned from the state hospitals including but not limited to: (i) Community hospital or free standing evaluation and treatment services providing short-term detention and commitment services under the involuntary treatment act to be located in the geographic areas of the King regional support network, the Spokane regional support network outside of Spokane county, and the Thurston Mason regional support network; (ii) one new full program of an assertive community treatment team in the King regional support network and two new half programs of assertive community treatment teams in the Spokane regional support network and the Pierce regional support network; and (iii) three new recovery support services programs in the Grays Harbor regional support network, the greater Columbia regional support network, and the north sound regional support network. In contracting for community evaluation and treatment services, the department may not use these resources in facilities that meet the criteria to be classified under federal law as institutions for mental diseases. If the department is unable to come to a contract agreement with a designated regional support network for any of the services identified above, it may consider contracting for that service in another regional support network that has the need for such service.

(p) $1,500,000 of the general fund—state appropriation for fiscal year 2019 and $1,500,000 of the general fund—federal appropriation are provided solely to implement clubhouses as a statewide medicaid program under the department's 1915(b) waiver services. The department must take appropriate steps to amend its waiver with the center for medicare and medicaid services to authorize clubhouse services beginning July 1, 2018. If the department is unable to obtain a waiver for these services, the department must report to the governor and appropriate committees of the legislature by December 10, 2017, identifying any barriers to obtaining the amendment and the steps taken to comply with this requirement.

(q) $6,858,000 of the general fund—state appropriation for fiscal year 2019 and $4,023,000 of the general fund—federal appropriation are provided solely to establish a combination of six new crisis walk-in or stabilization facilities, with the placement of at least two facilities in King county and one in Pierce county. Walk-in centers will allow individuals in mental health crisis to stay up to 23 hours under observation with stabilization centers allowing slightly longer short-term stays. Services in crisis walk-in centers may include crisis stabilization and intervention, individual counseling, peer support, medication management, education, and referral assistance. The department shall coordinate placement of crisis centers not identified in this subsection, to maximize coverage and to avoid potential duplication of crisis services. The department shall monitor each center's effectiveness at lowering the rate of state psychiatric hospital admissions.

(r) $1,000 of the general fund—state appropriation for fiscal year 2018 and $2,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of Senate Bill No. 5118 (personal needs allowance). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2018) $244,523,000

General Fund—State Appropriation (FY 2019) $251,628,000

General Fund—Federal Appropriation $147,533,000

General Fund—Private/Local Appropriation $52,428,000

TOTAL APPROPRIATION $696,112,000

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

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

(b) $26,358,000 of the general fund—state appropriation for fiscal year 2018 and $26,358,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to meet the requirements of the systems improvement agreement with the centers for medicare and medicaid services as outlined in seven conditions of participation and to maintain federal funding. The department shall specifically account for all spending related to the agreement and reconcile it back to the original funding plan. The department shall report back to the governor and the appropriate legislative committees every six months beginning December 1, 2017, regarding current spending, to include any underspending, and progress towards meeting the federal requirements.

(c) $311,000 of the general fund—state appropriation for fiscal year 2018 and $310,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood.

(d) $231,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for a community partnership between eastern state hospital and the city of Medical Lake to support community policing efforts in the community surrounding eastern state hospital. The amount provided in this subsection must be negotiated and result in an agreement to include dedicated staff and services at eastern state hospital similar to the program implemented by the city of Lakewood for western state hospital.

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

(f) $19,000 of the general fund—state appropriation for fiscal year 2018 and $19,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for payment to the city of Medical Lake for police services provided by the city at eastern state hospital and adjacent areas.

(g) $28,053,000 of the general fund—state appropriation for fiscal year 2018 and $28,053,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for competency restoration beds. These funds must be used to maintain current forensic beds and to increase forensic bed capacity at western state hospital and eastern state hospital. The department may contract some of these amounts for forensic beds at alternative locations if the secretary determines that is necessary to do so.

(h) The appropriations in this section include sufficient funding for the implementation of Senate Bill No. 5894 (behavioral health system).

(3) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2018) $498,000

General Fund—State Appropriation (FY 2019) $499,000

General Fund—Federal Appropriation $6,294,000

TOTAL APPROPRIATION $7,291,000

The appropriations in this subsection are subject to the following conditions and limitations: $446,000 of the general fund—state appropriation for fiscal year 2018, $446,000 of the general fund—state appropriation for fiscal year 2019, and $178,000 of the general fund—federal appropriation are provided solely for the University of Washington's evidence-based practice institute which supports the identification, evaluation, and implementation of evidence-based or promising practices. The institute must work with the department to develop a plan to seek private, federal, or other grant funding in order to reduce the need for state general funds.

(4) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2018) $9,937,000

General Fund—State Appropriation (FY 2019) $9,288,000

General Fund—Federal Appropriation $11,859,000

General Fund—Private/Local Appropriation $502,000

Performance Audits of Government Account—State

Appropriation $325,000

TOTAL APPROPRIATION $31,911,000

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

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

(b) Within the amounts appropriated in this section, funding is provided for the department to continue to develop the child adolescent needs and strengths assessment tool and build workforce capacity to provide evidence based wraparound services for children, consistent with the settlement agreement in *T.R. v. Dreyfus and Porter*.

(c) $62,000 of the general fund—state appropriation for fiscal year 2018 and $41,000 of the general fund—federal appropriation are provided solely for the implementation of Second Substitute Senate Bill No. 5749 (children's mental health). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(d) $325,000 of the performance audit of state government account—state appropriation is provided solely for the department to conduct a zero-based budget review of the division of mental health to be submitted with their 2019-2021 biennial budget request. Information and analysis submitted by the department for the zero-based review under this subsection shall include:

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

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

(iii) Any available performance measures indicating the effectiveness and efficiency of each program;

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

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

(vi) An analysis estimating each program's administrative and other overhead costs;

(vii) An analysis of the levels of services provided; and

(viii) An analysis estimating the amount of funds or benefits that actually reach the intended recipients.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—DEVELOPMENTAL DISABILITIES PROGRAM**

(1) COMMUNITY SERVICES

General Fund—State Appropriation (FY 2018) $595,791,000

General Fund—State Appropriation (FY 2019) $625,794,000

General Fund—Federal Appropriation $1,237,594,000

General Fund—Private/Local Appropriation $534,000

TOTAL APPROPRIATION $2,459,713,000

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

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

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

(i) The current annual renewal license fee for adult family homes shall be $225 per bed beginning in fiscal year 2018 and $225 per bed beginning in fiscal year 2019. A processing fee of $2,750 shall be charged to each adult family home when the home is initially licensed. This fee is nonrefundable.

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

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

(c) $25,400,000 of the general fund—state appropriation for fiscal year 2019 and $32,318,000 of the general fund—federal appropriation are provided solely for health benefits for homecare workers at a rate of $3.04 per department paid hour of work provided to a multi-employer health benefits trust. This rate is sufficient to ensure that no beneficiaries will lose health benefits, dental benefits, or vision benefits, but modifications to the benefit plan, reserve levels, ancillary programs, or trust operating costs may be necessary. Modifications to the benefit plan may include, but are not limited to, monthly premiums, medical deductibles, prescription drug copayments, medical out-of-pocket limits, hospital inpatient copayments, and hospital outpatient services copayments.

(d) $2,218,000 of the general fund—state appropriation for fiscal year 2019 and $2,824,000 of the general fund—federal appropriation are provided solely to implement Senate Bill No. 5899 (coordination of training requirement). Beginning July 1, 2018, the department must coordinate all training for long-term care workers. Funding is sufficient to ensure that no long-term care workers will lose the ability to receive basic training, continuing education, advanced training, peer mentorship, or any other training available in the prior fiscal year. If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(e) The department is authorized to establish limited exemption criteria in rule to address RCW 74.39A.325 when a landline phone is not available to the employee.

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

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

(h) $152,000 of the general fund—state appropriation for fiscal year 2018, $143,000 of the general fund—state appropriation for fiscal year 2019, and $295,000 of the general fund—federal appropriation are provided solely for discharge case managers stationed at the state psychiatric hospitals. Discharge case managers will transition clients ready for hospital discharge into less restrictive alternative community placements. The transition of clients ready for discharge will free up bed capacity at the state psychiatric hospitals.

(i) $1,239,000 of the general fund—state appropriation for fiscal year 2018, $2,055,000 of the general fund—state appropriation for fiscal year 2019, and $3,218,000 of the general fund—federal appropriation are provided solely to create new community alternative placement beds that prioritize the transition of clients ready for discharge from the state psychiatric hospitals, but who have additional long-term care or developmental disability needs. Community alternative placement beds include enhanced service facility beds, adult family home beds, skilled nursing facility beds, shared supportive housing beds, assisted living facility beds, state operated living facilities, and state operated living alternatives. In development of bed capacity, the department shall consider the complex needs of individuals waiting for discharge from the state psychiatric hospitals.

(j) By January 1, 2019, the department is directed to implement a consumer-directed Medicaid program, which is intended to be a voluntary alternative option for individuals with long-term care needs or individuals with developmental disabilities who choose to receive personal care services from a family member. Services under the new Medicaid program may include, but are not limited to, bathing, bed mobility, body care, dressing, eating, locomotion, medication management, toilet use, transfer, and personal hygiene.

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

(l) $840,000 of the general fund—state appropriation for fiscal year 2018, $3,300,000 of the general fund—state appropriation for fiscal year 2019, and $3,960,000 of the general fund—federal appropriation are provided solely for transitioning clients from Fircrest school residential habilitation center into community settings. The department must explore placements in community settings through the roads to community living program, whenever possible. The transition of clients must be commenced during the 2017-2019 fiscal biennium.

(m) $10,366,000 of the general fund—state appropriation for fiscal year 2018, $21,877,000 of the general fund—state appropriation for fiscal year 2019, and $33,648,000 of the general fund—federal appropriation are provided solely for a vendor rate increase of two percent in fiscal year 2018 and an additional two percent in fiscal year 2019 for all contracted vendors except nursing home providers and the program of all inclusive care for the elderly.

(n) $5,000 of the general fund—state appropriation for fiscal year 2018, $15,000 of the general fund—state appropriation for fiscal year 2019, and $15,000 of the general fund—federal appropriation are provided solely to implement Senate Bill No. 5118 (personal needs allowance). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(o) $550,000 of the general fund—state appropriation for fiscal year 2018, $550,000 of the general fund—state appropriation for fiscal year 2019, and $1,100,000 of the general fund—federal appropriation are provided solely to implement Second Substitute Senate Bill No. 5201 (employment services and community access). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(p) $560,000 of the general fund—state appropriation for fiscal year 2018, $570,000 of the general fund—state appropriation for fiscal year 2019, and $1,130,000 of the general fund—federal appropriation are provided solely to implement Senate Bill No. 5014 (benchmark rate in Snohomish county). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(q) $101,000 of the general fund—state appropriation for fiscal year 2018, $101,000 of the general fund—state appropriation for fiscal year 2019, and $201,000 of the general fund—federal appropriation are provided solely to increase the daily rate for private duty nursing in adult family homes by $127.54.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2018) $97,375,000

General Fund—State Appropriation (FY 2019) $71,210,000

General Fund—Federal Appropriation $178,981,000

General Fund—Private/Local Appropriation $24,843,000

State Efficiency and Restructuring Account

Appropriation $25,000,000

TOTAL APPROPRIATION $397,409,000

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

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

(b) $495,000 of the general fund—state appropriation for fiscal year 2018 and $495,000 of the general fund—state appropriation for fiscal year 2019 are for the department to fulfill its contracts with the school districts under chapter 28A.190 RCW to provide transportation, building space, and other support services as are reasonably necessary to support the educational programs of students living in residential habilitation centers.

(c) The department is directed to transition clients from Fircrest school residential habilitation center into community settings, nursing facilities, or other residential habilitation centers. The department must explore placements in community settings through the roads to community living program, whenever possible. The transition of clients must be commenced during the 2017-2019 fiscal biennium.

(d) $5,000 of the general fund—state appropriation for fiscal year 2018, $16,000 of the general fund—state appropriation for fiscal year 2019, and $16,000 of the general fund—federal appropriation are provided solely to implement Senate Bill No. 5118 (personal needs allowance). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(e) Within existing funds, the department must implement Senate Bill No. 5646 (services provided by residential habilitation centers), which removes the requirement that Yakima valley school will cease to exist as a residential habilitation center when the census of permanent admissions reaches sixteen residents.

(3) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2018) $2,378,000

General Fund—State Appropriation (FY 2019) $2,377,000

General Fund—Federal Appropriation $2,892,000

TOTAL APPROPRIATION $7,647,000

(4) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2018) $64,000

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

General Fund—Federal Appropriation $1,092,000

TOTAL APPROPRIATION $1,220,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—AGING AND ADULT SERVICES PROGRAM**

General Fund—State Appropriation (FY 2018) $1,072,701,000

General Fund—State Appropriation (FY 2019) $1,131,590,000

General Fund—Federal Appropriation $2,731,393,000

General Fund—Private/Local Appropriation $33,572,000

Traumatic Brain Injury Account—State Appropriation $4,540,000

Skilled Nursing Facility Net Trust Fund—State

Appropriation $133,360,000

TOTAL APPROPRIATION $5,107,156,000

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

(1)(a) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed $216.76 for fiscal year 2018 and shall not exceed $224.67 for fiscal year 2019. However, if the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment is for any reason disapproved, the weighted average nursing facility payment rate shall not exceed $198.22 for fiscal year 2018 and shall not exceed $205.90 for fiscal year 2019.

(b) The department shall provide a medicaid rate add-on to reimburse the medicaid share of the skilled nursing facility safety net assessment as a medicaid allowable cost. The nursing facility safety net rate add-on may not be included in the calculation of the annual statewide weighted average nursing facility payment rate.

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

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

(b) The current annual renewal license fee for assisted living facilities shall be $106 per bed beginning in fiscal year 2018 and $106 per bed beginning in fiscal year 2019.

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

(3) The department is authorized to place long-term care clients residing in nursing homes and paid for with state only funds into less restrictive community care settings while continuing to meet the client's care needs.

(4) In accordance with chapter 74.46 RCW, the department shall issue no additional certificates of capital authorization for fiscal year 2018 and no new certificates of capital authorization for fiscal year 2019 and shall grant no rate add-ons to payment rates for capital improvements not requiring a certificate of need and a certificate of capital authorization for fiscal years 2018 and 2019.

(5) $1,840,000 of the general fund—state appropriation for fiscal year 2018 and $1,877,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for operation of the volunteer services program. Funding shall be prioritized towards serving populations traditionally served by long-term care services to include senior citizens and persons with disabilities.

(6) The department is directed to implement a consumer-directed medicaid program, which is intended to be a voluntary alternative option for individuals with long-term care needs or individuals with developmental disabilities who choose to receive personal care services from a family member. Services under the new medicaid program may include, but are not limited to, bathing, bed mobility, body care, dressing, eating, locomotion, medication management, toilet use, transfer, and personal hygiene.

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

(8) $450,000 of the general fund—state appropriation for fiscal year 2018, $443,000 of the general fund—state appropriation for fiscal year 2019, and $896,000 of the general fund—federal appropriation are provided solely for discharge case managers stationed at the state psychiatric hospitals. Discharge case managers will transition clients ready for hospital discharge into less restrictive alternative community placements. The transition of clients ready for discharge will free up bed capacity at the state psychiatric hospitals.

(9) $406,000 of the general fund—state appropriation for fiscal year 2018, $377,000 of the general fund—state appropriation for fiscal year 2019, and $778,000 of the general fund—federal appropriation are provided solely for financial service specialists stationed at the state psychiatric hospitals. Financial service specialists will help to transition clients ready for hospital discharge into alternative community placements. The transition of clients ready for discharge will free up bed capacity at the state hospitals.

(10) $4,561,000 of the general fund—state appropriation for fiscal year 2018, $8,309,000 of the general fund—state appropriation for fiscal year 2019, and $11,807,000 of the general fund—federal appropriation are provided solely to create new community alternative placement beds that prioritize the transition of clients ready for discharge from the state psychiatric hospitals, but who have additional long-term care or developmental disability needs. Community alternative placement beds include enhanced service facility beds, adult family home beds, skilled nursing facility beds, shared supportive housing beds, assisted living facility beds, state operated living facilities, and state operated living alternatives. In development of bed capacity, the department shall consider the complex needs of individuals waiting for discharge from the state psychiatric hospitals.

(11) The department is authorized to establish limited exemption criteria in rule to address RCW 74.39A.325 when a landline phone is not available to the employee.

(12) In accordance with RCW 18.390.030, the biennial registration fee for continuing care retirement communities shall be $1,889 for each facility.

(13) $20,000 of the general fund—state appropriation for fiscal year 2018, $36,000 of the general fund—state appropriation for fiscal year 2019, and $56,000 of the general fund—federal appropriation are provided solely to hold medicaid nursing facility payment rates for public hospital district providers in rural communities as defined under chapter 70.44 RCW to a minimum of June 30, 2016, reimbursement levels. Medicaid nursing facility payment rates for public hospital district providers in rural communities compensated at June 30, 2016, reimbursement levels are not subject to RCW 74.46.561(10).

(14) $41,388,000 of the general fund—federal appropriation is provided solely for the implementation of strategy two of the medicaid transformation waiver.

(15) The department is directed to implement a consumer-directed medicaid program, which is intended to be a voluntary alternative option for individuals with long-term care needs or individuals with developmental disabilities who choose to receive personal care services from a family member. Services under the new medicaid program may include, but are not limited to, bathing, bed mobility, body care, dressing, eating, locomotion, medication management, toilet use, transfer, and personal hygiene.

(16) $5,705,000 of the general fund—state appropriation for fiscal year 2019 and $7,261,000 of the general fund—federal appropriation are provided solely to implement Senate Bill No. 5899 (coordination of training requirement). Beginning July 1, 2018, the department must coordinate all training for long-term care workers. Funding is sufficient to ensure that no long-term care workers will lose the ability to receive basic training, continuing education, advanced training, peer mentorship, or any other training available in the prior fiscal year. If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(17) $65,300,000 of the general fund—state appropriation for fiscal year 2019 and $83,100,000 of the general fund—federal appropriation are provided solely for health benefits for home care workers at a rate of $3.04 per department paid hour of work provided to a multi-employer health benefits trust. This rate is sufficient to ensure that no beneficiaries will lose health benefits, dental benefits, or vision benefits, but modifications to the benefit plan, reserve levels, ancillary programs, or trust operating costs may be necessary. Modifications to the benefit plan may include, but are not limited to, monthly premiums, medical deductibles, prescription drug co-payments, medical out-of-pocket limits, hospital inpatient co-payments, and hospital outpatient services co-payments.

(18) $14,023,000 of the general fund—state appropriation for fiscal year 2018, $29,893,000 of the general fund—state appropriation for fiscal year 2019, and $54,678,000 of the general fund—federal appropriation are provided solely for a vendor rate increase of two percent in fiscal year 2018 and an additional two percent in fiscal year 2019 for all contracted vendors except nursing home providers and the program of all inclusive care for the elderly.

(19) $200,000 of the general fund—state appropriation for fiscal year 2018, $850,000 of the general fund—state appropriation for fiscal year 2019, and $1,050,000 of the general fund—federal appropriation are provided solely for transitioning clients from Fircrest school residential habilitation center into nursing facilities. The transition of clients must be commenced during the 2017-2019 fiscal biennium.

(20) $44,000 of the general fund—state appropriation for fiscal year 2018, $130,000 of the general fund—state appropriation for fiscal year 2019, and $160,000 of the general fund—federal appropriation are provided solely to implement Senate Bill No. 5118 (personal needs allowance). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(21) $1,500,000 of the general fund—state appropriation for fiscal year 2018 and $1,500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to implement Senate Bill No. 5736 (nutrition assistance for older adults). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(22) $275,000 of the general fund—state appropriation for fiscal year 2018 and $2,479,000 of the general fund—federal appropriation are provided solely to finish the programming necessary to give the department the ability to pay individual provider overtime when hours over 40 hours per week are authorized for payment and are subject to the conditions, limitations, and review provided in section 724 of this act.

(23) $5,300,000 of the general fund—state appropriation for fiscal year 2018, $5,600,000 of the general fund—state appropriation for fiscal year 2019, and $10,900,000 of the general fund—federal appropriation are provided solely to implement Senate Bill No. 5715 (nursing home direct care payments). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(24) Within existing appropriations, no later than November 30, 2017, the department shall report to the appropriate policy and fiscal committees of the legislature with options for redesigning the medicaid payment methodology for assisted living, adult residential care, and enhanced adult residential care. The report must include options identified during a work group process that includes relevant stakeholders and is facilitated by the department.

(25) $458,000 of the general fund—state appropriation for fiscal year 2018, $458,000 of the general fund—state appropriation for fiscal year 2019, and $916,000 of the general fund—federal appropriation are provided solely to increase the daily rate for private duty nursing in adult family homes by $127.54.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ECONOMIC SERVICES PROGRAM**

General Fund—State Appropriation (FY 2018) $351,302,000

General Fund—State Appropriation (FY 2019) $361,902,000

General Fund—Federal Appropriation $1,411,053,000

General Fund—Private/Local Appropriation $5,144,000

Administrative Contingency Account—State

Appropriation $5,400,000

Child Welfare System Improvement Account—State

Appropriation $4,093,000

TOTAL APPROPRIATION $2,138,894,000

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

(1)(a) $114,222,000 of the general fund—state appropriation for fiscal year 2018, $117,287,000 of the general fund—state appropriation for fiscal year 2019, $807,307,000 of the general fund—federal appropriation, $5,400,000 of the administrative contingency account—state appropriation, and $4,093,000 of the child welfare system improvement account—state appropriation are provided solely for all components of the WorkFirst program. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families. The department must create a WorkFirst budget structure that allows for transparent tracking of budget units and subunits of expenditures where these units and subunits are mutually exclusive from other department budget units. The budget structure must include budget units for the following: Cash assistance, child care, WorkFirst activities, and administration of the program. Within these budget units, the department must develop program index codes for specific activities and develop allotments and track expenditures using these codes. The department shall report to the office of financial management and the relevant fiscal and policy committees of the legislature prior to adopting a structure change.

(b) $248,058,000 of the amounts in (a) of this subsection are provided solely for assistance to clients, including grants, diversion cash assistance, and additional diversion emergency assistance including but not limited to assistance authorized under RCW 74.08A.210. The department may use state funds to provide support to working families that are eligible for temporary assistance for needy families but otherwise not receiving cash assistance.

(c) $164,239,000 of the amounts in (a) of this subsection are provided solely for WorkFirst job search, education and training activities, barrier removal services, limited English proficiency services, and tribal assistance under RCW 74.08A.040. The department must allocate this funding based on client outcomes and cost effectiveness measures. Of the amounts provided in this subsection (1)(c), $25,000,000 of the appropriation is provided solely for the opportunity grant program, and $22,168,000 of the appropriation is provided solely for the state need grant.

(d) $480,400,000 of the amounts in (a) of this subsection are provided solely for the working connections child care program under RCW 43.215.135. Of the amounts provided in this subsection (1)(d), $10,407,000 of the appropriation is provided solely for a one percent rate increase for licensed family child care providers, a $1.25 per hour increase for family, friends and neighbor providers, a 4.25 percent increase in health insurance premium coverage and a one percent rate increase for child care center providers, and $1,616,000 of the appropriation is provided solely for 100 working connections child care slots which shall be utilized only for foster children. The amounts provided in this subsection (d) are provided conditioned on the department of social and health services and the department of early learning taking additional actions to identify and reduce the backlog of overpayment cases related to public assistance programs, including the working connections child care program. The departments shall collaborate and create a plan to triage overpayment cases in a manner that identifies and prioritizes cases with large overpayments and likelihood of fraudulent activity. The departments shall provide a quarterly report to the appropriate policy and fiscal committees of the legislature detailing the specific actions taken as a result of this subsection (d). In order to not exceed the appropriated amount, a wait list for the working connections child care program shall be implemented if enrollment reaches 31,000 households. Once the wait list is in effect, and only as space or funding becomes available, enrollment in the program shall be prioritized according to the following order:

(i) Families applying for or receiving temporary assistance for needy families (TANF);

(ii) TANF families curing sanction;

(iii) Foster children who will be enrolled in slots being held by the state;

(iv) Families that include a child with special needs;

(v) Families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center; and

(vi) All other eligible families.

(e) $155,611,000 of the amounts in (a) of this subsection are provided solely for WorkFirst and working connections child care administration and overhead.

(f) The amounts in (b) through (d) of this subsection shall be expended for the programs and in the amounts specified. However, the department may transfer up to 10 percent of funding between (b) through (e) of this subsection. The department shall provide notification prior to any transfer to the office of financial management and to the appropriate legislative committees and the legislative-executive WorkFirst oversight task force. The approval of the director of financial management is required prior to any transfer under this subsection.

(g) Each calendar quarter, the department shall provide a maintenance of effort and participation rate tracking report for temporary assistance for needy families to the office of financial management, the appropriate policy and fiscal committees of the legislature, and the legislative-executive WorkFirst oversight task force. The report must detail the following information for temporary assistance for needy families:

(i) An overview of federal rules related to maintenance of effort, excess maintenance of effort, participation rates for temporary assistance for needy families, and the child care development fund as it pertains to maintenance of effort and participation rates;

(ii) Countable maintenance of effort and excess maintenance of effort, by source, provided for the previous federal fiscal year;

(iii) Countable maintenance of effort and excess maintenance of effort, by source, for the current fiscal year, including changes in countable maintenance of effort from the previous year;

(iv) The status of reportable federal participation rate requirements, including any impact of excess maintenance of effort on participation targets;

(v) Potential new sources of maintenance of effort and progress to obtain additional maintenance of effort; and

(vi) A two-year projection for meeting federal block grant and contingency fund maintenance of effort, participation targets, and future reportable federal participation rate requirements.

(h) In the 2017-2019 fiscal biennium, it is the intent to provide appropriations from the state general fund for the purposes of (b) through (e) of this subsection if the department does not receive additional federal temporary assistance for needy families contingency funds in each fiscal year as assumed in the budget outlook.

(2) $1,657,000 of the general fund—state appropriation for fiscal year 2018 and $1,657,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for naturalization services.

(3) $2,366,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for employment services for refugees and immigrants, of which $1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services; and $2,366,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for employment services for refugees and immigrants, of which $1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services.

(4) On December 1, 2017, and annually thereafter, the department must report to the governor and the legislature on all sources of funding available for both refugee and immigrant services and naturalization services during the current fiscal year and the amounts expended to date by service type and funding source. The report must also include the number of clients served and outcome data for the clients.

(5) To ensure expenditures remain within available funds appropriated in this section, the legislature establishes the benefit under the state food assistance program, pursuant to RCW 74.08A.120, to be one hundred percent of the federal supplemental nutrition assistance program benefit amount.

(6) The department shall review clients receiving services through the aged, blind, or disabled assistance program, to determine whether they would benefit from assistance in becoming naturalized citizens, and thus be eligible to receive federal supplemental security income benefits. Those cases shall be given high priority for naturalization funding through the department.

(7) $433,000 of the general fund—state appropriation for fiscal year 2018, $451,000 of the general find—state appropriation for fiscal year 2019, and $6,451,000 of the general fund—federal appropriation are provided solely for ESAR Architectural Development and are subject to the conditions, limitations, and review provided in section 724 of this act.

(8) The department shall continue the interagency agreement with the department of veterans' affairs to establish a process for referral of veterans who may be eligible for veterans' services. This agreement must include out-stationing department of veterans' affairs staff in selected community service office locations in King and Pierce counties to facilitate applications for veterans' services.

(9) The appropriations in this section include sufficient funding for the implementation of Senate Bill No. 5118 (personal needs allowance).

(10) Savings are assumed in this section as a result of the department reducing the number of authorized exemptions from work participation activities in the WorkFirst program and time limit extensions in the temporary assistance for needy families program. To the extent necessary, the department may revise its hardship exemptions and good cause rules related to work participation and time limits to achieve these savings.

(11) $2,477,000 of the child welfare system improvement account—state appropriation is provided solely for implementation of Substitute Senate Bill No. 5890 (foster care and adoption). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ALCOHOL AND SUBSTANCE ABUSE PROGRAM**

General Fund—State Appropriation (FY 2018) $78,898,000

General Fund—State Appropriation (FY 2019) $83,037,000

General Fund—Federal Appropriation $572,943,000

General Fund—Private/Local Appropriation $20,211,000

Criminal Justice Treatment Account—State

Appropriation $12,978,000

Problem Gambling Account—State Appropriation $1,453,000

Dedicated Marijuana Account—State Appropriation

(FY 2018) $24,802,000

Dedicated Marijuana Account—State Appropriation

(FY 2019) $24,802,000

TOTAL APPROPRIATION $819,124,000

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

(1) Within the amounts appropriated in this section, the authority may contract with the University of Washington and community-based providers for the provision of the parent-child assistance program or other specialized chemical dependency case management providers for pregnant, post-partum, and parenting women. For all contractors: (a) Service and other outcome data must be provided to the authority by request; and (b) indirect charges for administering the program shall not exceed ten percent of the total contract amount.

(2) In accordance with RCW 70.96A.090 and 43.135.055, the authority is authorized to adopt fees for the review and approval of treatment programs in fiscal years 2018 and 2019 as necessary to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the authority, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower cost of licensing for these programs than for other organizations which are not accredited.

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

(4) $200,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $200,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for a contract with the Washington state institute for public policy to conduct cost-benefit evaluations of the implementation of chapter 3, Laws of 2013 (Initiative Measure No. 502).

(5) $500,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $500,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely to design and administer the Washington state healthy youth survey and the Washington state young adult behavioral health survey.

(6) $396,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $396,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for increasing services to pregnant and parenting women provided through the parent child assistance program.

(7) $250,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $250,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for a grant to the office of superintendent of public instruction to provide life skills training to children and youth in schools that are in high needs communities.

(8) $386,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $386,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely to increase prevention and treatment services provided by tribes to children and youth.

(9) $2,684,000 of the dedicated marijuana account—state appropriation for fiscal year 2018, $2,684,000 of the dedicated marijuana account—state appropriation for fiscal year 2019, and $1,900,000 of the general fund—federal appropriation are provided solely to increase residential treatment services for children and youth.

(10) $250,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $250,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for training and technical assistance for the implementation of evidence based, research based, and promising programs which prevent or reduce substance use disorders.

(11) $2,434,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $2,434,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for expenditure into the home visiting services account.

(12) $3,278,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $3,278,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for a memorandum of understanding with the department of social and health services juvenile rehabilitation administration to provide substance abuse treatment programs for juvenile offenders. Of the amounts provided in this subsection:

(a) $1,130,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $1,130,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for alcohol and substance abuse treatment programs for locally-committed offenders. The juvenile rehabilitation administration shall award these funds as described in section 203(3) of this act.

(b) $282,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $282,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for the expansion of evidence-based treatments and therapies as described in section 203(12) of this act.

(13) $2,500,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and $2,500,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for grants to community-based programs that provide prevention services or activities to youth, including programs for school-based resource officers. These funds must be utilized in accordance with RCW 69.50.540.

(14) Within the amounts provided in this section, behavioral health organizations must provide outpatient chemical dependency treatment for offenders enrolled in the medicaid program who are supervised by the department of corrections pursuant to a term of community supervision. Contracts with behavioral health organizations must require that behavioral health organizations include in their provider network specialized expertise in the provision of manualized, evidence-based chemical dependency treatment services for offenders. The department of corrections and the department must maintain a memorandum of understanding for department of corrections offenders on active supervision who are medicaid eligible and meet medical necessity for outpatient substance use disorder treatment. The agreement will ensure that treatment services provided are coordinated, do not result in duplication of services, and maintain access and quality of care for the individuals being served. The department must provide all necessary data, access, and reports to the department of corrections for all department of corrections offenders that receive medicaid paid services.

(15) $100,000 of the general fund—state appropriation for fiscal year 2018 and $100,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for parenting education services focused on pregnant and parenting women.

(16) Within existing appropriations, the department shall prioritize the prevention and treatment of intravenous opiate-based drug use.

(17) $500,000 of the general fund—state appropriation for fiscal year 2018 and $500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to increase funding for substance abuse treatment and support services for offenders and to support drug courts.

(18) $836,000 of the general fund—state appropriation for fiscal year 2018, $2,350,000 of the general fund—state appropriation for fiscal year 2019, and $2,300,000 of the general fund—federal appropriation are provided solely to establish two new secure detoxification facilities.

(19) $816,000 of the general fund—federal appropriation is provided solely for the department to grant funding to King and Snohomish counties for the purchase of Naxalone kits. The department shall use funding from its state targeted response: Opioid crisis grant for this purpose and must identify options for expanding to other regions in the state.

(20) The department must review the treatment services provided by the behavioral health organizations (BHO) to individuals supervised by the department of corrections in the community. In reviewing, the department shall compile data specific to BHOs and in the aggregate for access to services, timeliness, number of referrals from the department of corrections, and number of individuals served. The department will consult with the department of corrections and must report to the governor and the appropriate legislative committees no later than November 30, 2017, the transition of services from the department of corrections to the BHOs and identify barriers to access and services for community supervised individuals and provide recommendations for improved services to this population.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—VOCATIONAL REHABILITATION PROGRAM**

General Fund—State Appropriation (FY 2018) $13,485,000

General Fund—State Appropriation (FY 2019) $13,437,000

General Fund—Federal Appropriation $97,328,000

TOTAL APPROPRIATION $124,250,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—SPECIAL COMMITMENT PROGRAM**

General Fund—State Appropriation (FY 2018) $42,904,000

General Fund—State Appropriation (FY 2019) $42,361,000

TOTAL APPROPRIATION $85,265,000

The appropriations in this section are subject to the following conditions and limitations: The special commitment center may use funds appropriated in this subsection to purchase services, goods, and supplies through hospital group purchasing organizations when it is cost-effective to do so.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ADMINISTRATION AND SUPPORTING SERVICES PROGRAM**

General Fund—State Appropriation (FY 2018) $35,668,000

General Fund—State Appropriation (FY 2019) $35,083,000

General Fund—Federal Appropriation $41,805,000

General Fund—Private/Local Appropriation $654,000

TOTAL APPROPRIATION $113,210,000

The appropriations in this section are subject to the following conditions and limitations: Within existing resources, the department must prepare a report for the governor and fiscal committees of the legislature, to be provided on or before October 1, 2017, which explores ways to reduce the capital costs at the Rainier school residential habilitation center, or other buildings owned by the department, by modifying the compliance requirements mandated by executive order 05-05.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER AGENCIES PROGRAM**

General Fund—State Appropriation (FY 2018) $75,937,000

General Fund—State Appropriation (FY 2019) $76,951,000

General Fund—Federal Appropriation $65,277,000

TOTAL APPROPRIATION $218,165,000

The appropriations in this section are subject to the following conditions and limitations: $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 to implement Substitute Senate Bill No. 5577 (incapacitated persons/rights). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE STATE HEALTH CARE AUTHORITY**

During the 2017-2019 fiscal biennium, the health care authority shall provide support and data as required by the office of the state actuary in providing the legislature with health care actuarial analysis, including providing any information in the possession of the health care authority or available to the health care authority through contracts with providers, plans, insurers, consultants, or any other entities contracting with the health care authority.

Information technology projects or investments and proposed projects or investments impacting time capture, payroll and payment processes and systems, eligibility, case management, and authorization systems within the health care authority are subject to technical oversight by the office of the chief information officer.

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

(1) MEDICAL ASSISTANCE

General Fund—State Appropriation (FY 2018) $2,090,837,000

General Fund—State Appropriation (FY 2019) $2,135,685,000

General Fund—Federal Appropriation $11,099,686,000

General Fund—Private/Local Appropriation $78,640,000

Emergency Medical Services and Trauma Care Systems

Trust Account—State Appropriation $15,086,000

Hospital Safety Net Assessment Account—State

Appropriation $703,962,000

Medicaid Fraud Penalty Account—State Appropriation $27,840,000

Medical Aid Account—State Appropriation $528,000

Dedicated Marijuana Account—State Appropriation

(FY 2018) $15,676,000

Dedicated Marijuana Account—State Appropriation

(FY 2019) $17,036,000

Performance Audits of Governments Account—State

Appropriation $525,000

TOTAL APPROPRIATION $16,185,501,000

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

(a) $255,945,000 of the general fund—state appropriation for fiscal year 2018 and $264,211,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the authority to implement a single, standard state preferred drug list to be used by all contracted medicaid managed health care systems, on or before January 1, 2018. The preferred drug list shall be developed in consultation with all contracted managed health care systems and the state pharmacy and therapeutics committee. The list shall be designed to maximize federal rebates and supplemental rebates and ensure access to clinically effective and appropriate drug therapies under each class. The authority may utilize external consultants with expertise in evidence based drug class reviews, pharmacy benefit management, and purchasing to assist with the completion of this development and implementation. To assist in the implementation of the single preferred drug list, contracted medicaid managed health care systems shall provide the authority drug specific financial information in a format and frequency determined by the authority to include: The actual amounts paid to pharmacies for prescription drugs dispensed to covered individuals compared to the cost invoiced to the health plan and individual rebates collected for prescription drugs dispensed to medicaid members. The administration of the prescription drug benefit for medicaid managed health care systems shall be carried out by a single pharmacy benefits manager under the prescription drug purchasing consortium with full transparency of all rebates, supplemental rebates, and associated administrative costs. The authority shall provide a report to the governor and appropriate committees of the legislature by November 15, 2018, and no later than November 15, 2019, including a comparison of the amount spent in the previous two fiscal years to expenditures under the new system by, at a minimum, fund source, total expenditure, drug class, and top twenty-five drugs.

(b) $147,921,000 of the general fund—state appropriation for fiscal year 2018 and $149,599,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for holding managed care capitation rates flat at calendar year 2017 levels in state fiscal years and calendar years 2018 and 2019.

(c) $122,244,000 of the general fund—state appropriation for fiscal year 2018 and $116,038,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the authority through the competitive procurement process, to contract with licensed dental health plans or managed health care plans on a pre-paid or fixed-sum risk basis to provide carved-out managed dental care services on a statewide basis that will result in greater efficiency and will facilitate better access and oral health outcomes for medicaid enrollees. Except in areas where only a single plan is available, the authority must contract with at least two plans. The authority shall include in the contracts: (i) Quarterly reporting requirements to include medicaid utilization and encounter data by current dental technology (CDT) code; (ii) a direction to increase the dental provider network; (iii) a commitment to retain innovative programs that improve access and care such as the access to baby and child dentistry program; (iv) a program to reduce emergency room use for dental purposes; (v) a requirement to ensure that dental care is being coordinated with the primary care provider of the patient to ensure integrated care; (vi) a provision that no less than eighty-five percent of the contracting fee be used to directly offset the cost of providing direct patient care as opposed to administrative costs; and (vii) a provision to ensure the contracting fee shall be sufficient to compensate county health departments and federally qualified health centers for dental patient care. The plan(s) awarded this contract must absorb all start-up costs associated with moving the program from fee-for-service to managed care and shall commit to achieving an overall savings to the program based on 2016 fee-for-service experience. In order to comply with state insurance underwriting standards, the authority shall ensure that savings offered by dental plans are actuarially sound. By October 15, 2018, the authority shall submit a report to the governor and the appropriate committees of the legislature comparing the data provided by the contracting entity with comparable data for the prior fiscal year. The authority is authorized to seek any necessary state plan amendments or federal waivers to implement this subsection.

(d) $1,547,067,000 of the general fund—state appropriation for fiscal year 2018 and $1,581,921,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for medicaid services and the medicaid program. However, the authority shall not accept or expend any federal funds received under a medicaid transformation demonstration waiver under healthier Washington unless specifically approved and appropriated by the legislature.

(e) Sufficient amounts are appropriated in this subsection to implement the medicaid expansion as defined in the social security act, section 1902(a)(10)(A)(i)(VIII).

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

(g) Based on quarterly expenditure reports and caseload forecasts, if the health care authority estimates that expenditures for the medical assistance program will exceed the appropriations, the health care authority shall take steps including but not limited to reduction of rates or elimination of optional services to reduce expenditures so that total program costs do not exceed the annual appropriation authority.

(h) In determining financial eligibility for medicaid-funded services, the health care authority is authorized to disregard recoveries by Holocaust survivors of insurance proceeds or other assets, as defined in RCW 48.104.030.

(i) The legislature affirms that it is in the state's interest for Harborview medical center to remain an economically viable component of the state's health care system.

(j) When a person is ineligible for medicaid solely by reason of residence in an institution for mental diseases, the health care authority shall provide the person with the same benefits as he or she would receive if eligible for medicaid, using state-only funds to the extent necessary.

(k) $4,261,000 of the general fund—state appropriation for fiscal year 2018, $4,261,000 of the general fund—state appropriation for fiscal year 2019, and $8,522,000 of the general fund—federal appropriation are provided solely for low-income disproportionate share hospital payments.

(l) Within the amounts appropriated in this section, the health care authority shall provide disproportionate share hospital payments to hospitals that provide services to children in the children's health program who are not eligible for services under Title XIX or XXI of the federal social security act due to their citizenship status.

(m) $6,000,000 of the general fund—federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the health care authority's discretion. During either the interim cost settlement or the final cost settlement, the health care authority shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The health care authority shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

(n) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2017-2019 fiscal biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The health care authority shall submit reports to the governor and legislature by November 1, 2017, and by November 1, 2018, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the health care authority shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2018 and fiscal year 2019, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (i) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2017-2019 biennial operating appropriations act and in effect on July 1, 2015, (ii) one-half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (iii) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2017-2019 fiscal biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. $10,575,000 of the general fund—state appropriation for fiscal year 2018 and $13,185,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for state grants for the participating hospitals.

(o) The health care authority shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

(p) The health care authority shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race. The health care authority shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the health care authority shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.

(q) The authority shall submit reports to the governor and the legislature by September 15, 2018, and no later than September 15, 2019, that delineate the number of individuals in medicaid managed care, by carrier, age, gender, and eligibility category, receiving preventative services and vaccinations. The reports should include baseline and benchmark information from the previous two fiscal years and should be inclusive of, but not limited to, services recommended under the United States preventative services task force, advisory committee on immunization practices, early and periodic screening, diagnostic, and treatment (EPSDT) guidelines, and other relevant preventative and vaccination medicaid guidelines and requirements.

(r) Managed care contracts must incorporate accountability measures that monitor patient health and improved health outcomes, and shall include an expectation that each patient receive a wellness examination that documents the baseline health status and allows for monitoring of health improvements and outcome measures.

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

(t) The health care authority shall coordinate with the department of social and health services to provide referrals to the Washington health benefit exchange for clients that will be ineligible for medicaid.

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

(v) $90,000 of the general fund—state appropriation for fiscal year 2018, $90,000 of the general fund—state appropriation for fiscal year 2019, and $180,000 of the general fund—federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free hotline that assists families to learn about and enroll in the apple health for kids program.

(w) The appropriations in this section reflect savings and efficiencies by transferring children receiving medical care provided through fee-for-service to medical care provided through managed care.

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

(y) Within the amounts appropriated in this section, the authority shall continue to provide coverage for pregnant teens that qualify under existing pregnancy medical programs, but whose eligibility for pregnancy related services would otherwise end due to the application of the new modified adjusted gross income eligibility standard.

(z) Sufficient amounts are appropriated in this section to remove the mental health visit limit and to provide the shingles vaccine and screening, brief intervention, and referral to treatment benefits that are available in the medicaid alternative benefit plan in the classic medicaid benefit plan.

(aa) The authority shall use revenue appropriated from the dedicated marijuana fund for contracts with community health centers under RCW 69.50.540 in lieu of general fund—state payments to community health centers for services provided to medical assistance clients, and it is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.

(bb) $127,000 of the general fund—state appropriation for fiscal year 2018 and $1,144,000 of the general fund—federal appropriation are provided solely to the ProviderOne provider overtime project and are subject to the conditions, limitations, and review provided in section 724 of this act.

(cc) $175,000 of the general fund—state appropriation for fiscal year 2018 and $825,000 of the general fund—federal appropriation are provided solely to the ProviderOne CORE operating rules project and are subject to the conditions, limitations, and review provided in section 724 of this act.

(dd) $600,000 of the general fund—state appropriation for fiscal year 2018 and $800,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to increase payments for health home services and these are the maximum amounts in each fiscal year the authority may expend for this purpose.

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

(ff) Within the amounts appropriated within this section, the authority shall implement the plan to show how improved access to home health nursing reduces potentially preventable readmissions, increases access to care, reduces hospital length of stay, and prevents overall hospital admissions for clients receiving private duty nursing, medically intensive care, or home health benefits as described in their report to the legislature dated December 15, 2016, entitled home health nursing. The authority shall report to the governor and appropriate committees of the legislature by December 31, 2017, information regarding the effect of the ten dollar rate increases for skilled nursing care delivered via private duty nursing or home health nursing, and how the rate changes impacted the utilization and cost of emergency room visits, reduced the length of stay for initial hospital admissions, and reduced utilization and costs of preventable hospital readmissions. The report will quantify potential cost saving opportunities that may exist through improved access to private duty and home health nursing statewide.

(gg) $1,500,000 of the general fund—state appropriation for fiscal year 2018 and $1,500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the authority to contract with Washington autism alliance and advocacy to educate and assist persons seeking the authority's services to address a suspected or diagnosed autism spectrum disorder or developmental disability. Each person seeking the authority's services will be given a referral to Washington autism alliance and advocacy for the purpose of navigating the health care system to include, but be limited to providing information on potential benefits of maintaining employer sponsored insurance; options under the medicaid premium payment program through the authority; and assisting persons with accessing and appealing denials of insurance services. The authority must collaborate with the department of social and health services to ensure that persons who access state services through the department are also served under the contract and given a referral to Washington autism alliance and advocacy.

(hh) Within the amounts appropriated within this section, beginning July 1, 2017, the authority must increase facility fees to birth centers to the amount listed on page two of their report to the legislature dated October 15, 2016, entitled reimbursement for births performed at birth centers. This increased rate is applicable in both a fee for service setting and is the minimum allowable rate in a managed care setting. The authority shall report to the governor and appropriate committees of the legislature by October 15, 2018, updated information regarding access to care, improvements to the Cesarean section rate, and savings outcomes for utilizing birth centers as an alternative to hospitals.

(ii) Sufficient amounts are appropriated in this section for the full implementation of chapter 154, Laws of 2016 (SSB 6430 - continuity of care during incarceration). During the 2017-2019 fiscal biennium, the authority shall fully implement this act within the amounts provided in this section.

(jj) Beginning no later than January 1, 2018, for any service eligible under the medicaid state plan for encounter payments, managed care organizations at the request of a rural health clinic shall pay the full published encounter rate directly to the clinic. At no time will a managed care organization be at risk for or have any right to the supplemental portion of the claim. Payments will be reconciled on at least an annual basis between the managed care organization and the authority, with final review and approval by the authority. By September 31, 2017, the authority shall report to the legislature on its progress implementing this subsection.

(kk) Within the amounts appropriated in this section, and in consultation with appropriate parties, including the rural health clinic association of Washington and the centers for medicare and medicaid services, by December 1, 2017, the authority shall submit a report to the governor and appropriate committees of the legislature evaluating legislative and administrative options to reduce or eliminate any amounts owed by rural health clinics under the payment reconciliation process established in the medicaid state plan.

(ll) $3,408,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5540 (oral health pilot program for adults with diabetes and pregnant women). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(mm) $332,000 of the general fund—state appropriation for fiscal year 2018 and $672,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5179 (hearing instruments under public employee and medicaid programs). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(nn) The appropriations in this section include sufficient funding for the implementation of Engrossed Substitute Senate Bill No. 5779 (behavioral health integration in primary care).

(oo) $525,000 of the performance audit of state government—state appropriation and $525,000 of the general fund—federal appropriation are provided solely for the authority to develop an agency lean performance management system by June 30, 2018, and to complete an excellence assessment by June 30, 2019. The agency lean performance management system must provide for (a) gathering, monitoring, and analysis of data to measure performance and eliminate waste and inefficiency in agency operations; (b) conforming to an internationally recognized quality management system; (c) allocating resources to improve performance; and (d) setting a goal and includes all activities and requirements necessary to reduce agency costs by one percent annually within two years of adoption. The excellence assessment must be an assessment of the authority's operational performance by a trained national or state examiner using an excellence framework published by the national institutes of standards and technology, United States department of commerce.

(pp) Sufficient amounts are appropriated in this section to increase the daily rate by $155.20 for skilled nursing performed by licensed practical nurses and registered nurses who serve medically intensive children's program clients who reside in a group home setting.

(2) PUBLIC EMPLOYEES BENEFITS BOARD AND EMPLOYEE BENEFITS PROGRAMS

State Health Care Authority Administration Account—

State Appropriation $33,360,000

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

(a) The authority and the public employees' benefits board shall consult with the Washington state institute for public policy on the cost-effectiveness of the wellness plan and any changes to the plan that can be made to increase the health care efficiency of the wellness plan. The authority shall report its findings to the governor and the appropriate committees of the legislature by October 15, 2018.

(b) The authority and the public employees' benefits board shall ensure that procurement for employee health benefits during the 2019-2021 fiscal biennium is consistent with the funding limitations provided in part 9 of this act.

(c) $236,000 of the state health care authority administration account—state appropriation for fiscal year 2018 and $236,000 of the state health care authority administration account—state appropriation for fiscal year 2019 are provided solely to the affordable care act employer shared responsibility project and are subject to the conditions, limitations, and review provided in section 724 of this act.

(d) All savings resulting from reduced claim costs or other factors identified after December 31, 2016, must be reserved for funding employee health benefits in the 2019-2021 fiscal biennium. Any changes to benefits, including covered prescription drugs, must be approved by the public employees' benefits board. Upon procuring benefits for calendar years 2018 and 2019, the public employees' benefits board shall: (1) Not consider any changes to benefits, including prescription drugs, without considering comprehensive analysis of the cost of those changes; and (2) not adopt a package of benefits and premiums that results in a projected unrestricted reserve funding level lower than was projected under the assumptions made prior to procurement. For this purpose, assumptions means projections about the levels of future claims, costs, enrollment and other factors, prior to any changes in benefits. The certificates of coverage agreed to by the health care authority for calendar years 2018 and 2019 must ensure that no increases in coverage of prescription drugs, services, or other benefits may occur prior to approval by the public employees' benefits board at the time of procurement of benefits for the ensuing calendar year.

(e) Within the amounts appropriated within this section, the authority, in consultation with one Washington within the office of financial management, the office of the chief information officer, and other state agencies with statewide payroll or benefit systems, shall prepare a report describing options for the replacement of the Pay 1 information technology system. The report shall evaluate the potential costs, benefits, and feasibility of integrating the functions currently performed by Pay 1 into an existing or new statewide system, as well for a stand-alone system. The report shall also update the business and system requirements documents previously developed for a Pay 1 replacement system. This report shall be provided to the governor and appropriate committees of the legislature by September 30, 2018.

(3) HEALTH BENEFIT EXCHANGE

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

General Fund—State Appropriation (FY 2019) $5,184,000

General Fund—Federal Appropriation $52,437,000

Health Benefit Exchange Account—State Appropriation $55,636,000

TOTAL APPROPRIATION $118,441,000

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

(a) The receipt and use of medicaid funds provided to the health benefit exchange from the health care authority are subject to compliance with state and federal regulations and policies governing the Washington apple health programs, including timely and proper application, eligibility, and enrollment procedures.

(b)(i) By July 15th and January 15th of each year, the authority shall make a payment of one-half the general fund—state appropriation and one-half the health benefit exchange account—state appropriation to the exchange.

(ii) The exchange shall monitor actual to projected revenues and make necessary adjustments in expenditures or carrier assessments to ensure expenditures do not exceed actual revenues.

(iii) Payments made from general fund—state appropriation and health benefit exchange account—state appropriation shall be available for expenditure for no longer than the period of the appropriation from which it was made. When the actual cost of materials and services have been fully determined, and in no event later than the lapsing of the appropriation, any unexpended balance of the payment shall be returned to the authority for credit to the fund or account from which it was made, and under no condition shall expenditures exceed actual revenue.

NEW SECTION. **Sec.**  **FOR THE HUMAN RIGHTS COMMISSION**

General Fund—State Appropriation (FY 2018) $2,209,000

General Fund—State Appropriation (FY 2019) $2,204,000

General Fund—Federal Appropriation $2,354,000

TOTAL APPROPRIATION $6,767,000

NEW SECTION. **Sec.**  **FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

Worker and Community Right-to-Know Account—State

Appropriation $10,000

Accident Account—State Appropriation $21,276,000

Medical Aid Account—State Appropriation $21,382,000

TOTAL APPROPRIATION $42,658,000

The appropriations in this subsection are subject to the following conditions and limitations: $25,000 of the accident account—state appropriation and $25,000 of the medical aid account—state appropriation are provided solely for structured settlement reviews pursuant to Senate Bill No. 5822 (workers' compensation system). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

General Fund—State Appropriation (FY 2018) $20,856,000

General Fund—State Appropriation (FY 2019) $19,744,000

General Fund—Private/Local Appropriation $5,881,000

Death Investigations Account—State Appropriation $148,000

Municipal Criminal Justice Assistance Account—State

Appropriation $460,000

Washington Auto Theft Prevention Authority Account—State

Appropriation $8,167,000

24/7 Sobriety Account—State Appropriation $30,000

TOTAL APPROPRIATION $55,286,000

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

(1) $5,000,000 of the general fund—state appropriation for fiscal year 2018 and $5,000,000 of the general fund—state appropriation for fiscal year 2019, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130. The association may use no more than $50,000 per fiscal year of the amounts provided on program management activities.

(2) $1,712,000 of the general fund—state appropriation for fiscal year 2018 and $1,712,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for seventy-five percent of the costs of providing eight additional statewide basic law enforcement trainings in each fiscal year. The criminal justice training commission must schedule its funded classes to minimize wait times throughout each fiscal year and meet statutory wait time requirements.

(3) $838,080 of the general fund—local appropriation is provided solely to purchase ammunition for the basic law enforcement academy. Jurisdictions shall reimburse to the criminal justice training commission the costs of ammunition, based on the average cost of ammunition per cadet, for cadets that they enroll in the basic law enforcement academy.

(4) The criminal justice training commission may not run a basic law enforcement academy class of fewer than 30 students.

(5) $100,000 of the general fund—state appropriation for fiscal year 2018 and $100,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a school safety program. The commission, in collaboration with the school safety center advisory committee, shall provide the school safety training for all school administrators and school safety personnel hired after the effective date of this section.

(6) $96,000 of the general fund—state appropriation for fiscal year 2018 and $96,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the school safety center within the commission. The safety center shall act as an information dissemination and resource center when an incident occurs in a school district in Washington or in another state, coordinate activities relating to school safety, and review and approve manuals and curricula used for school safety models and training. Through an interagency agreement, the commission shall provide funding for the office of the superintendent of public instruction to continue to develop and maintain a school safety information web site. The school safety center advisory committee shall develop and revise the training program, using the best practices in school safety, for all school safety personnel. The commission shall provide research-related programs in school safety and security issues beneficial to both law enforcement and schools.

(7) $146,000 of the general fund—state appropriation for fiscal year 2018 and $146,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the costs of providing statewide advanced driving training with the use of a driving simulator.

(8) $595,000 of the general fund—state appropriation for fiscal year 2018 and $595,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to continue crisis intervention training required in chapter 87, Laws of 2015.

(9) $250,000 of the general fund—state appropriation for fiscal year 2018 and $250,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the criminal justice training commission to deliver research-based programs to instruct, guide, and support local law enforcement agencies in fostering the "guardian philosophy" of policing, which emphasizes de-escalating conflicts and reducing the use of force.

(10) $429,000 of the general fund—state appropriation for fiscal year 2018 and $429,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for expenditure into the nonappropriated Washington internet crimes against children account for the implementation of chapter 84, Laws of 2015.

(11) $842,000 of the general fund—state appropriation for fiscal year 2018 and $353,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the purposes of updating and providing basic and in-service training for peace officers and corrections officers that emphasizes de-escalation and use of less lethal force.

(12) $100,000 of the general fund—state appropriation for fiscal year 2018 and $100,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to the Washington association of sheriffs and police chiefs to fund pilot projects in Benton and Franklin counties to support local law enforcement education for law enforcement, medical professionals, first responders, courts, educators, and others to raise awareness and identifying warning signs of human trafficking.

(13) $500,000 of the general fund—state appropriation for fiscal year 2018 is provided solely to the Washington association of sheriffs and police chiefs to administer statewide training in the use of the Washington state gang database, established in compliance with RCW 43.43.762, and provide grant funding to ensure agencies enter appropriate and reliable data into the database. The training shall develop professionals with regional responsibilities for database administration throughout the state.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

General Fund—State Appropriation (FY 2018) $16,871,000

General Fund—State Appropriation (FY 2019) $17,777,000

General Fund—Federal Appropriation $11,876,000

Asbestos Account—State Appropriation $489,000

Electrical License Account—State Appropriation $50,826,000

Farm Labor Contractor Account—State Appropriation $28,000

Worker and Community Right-to-Know Account—State

Appropriation $962,000

Public Works Administration Account—State

Appropriation $6,063,000

Manufactured Home Installation Training

Account—State Appropriation $363,000

Accident Account—State Appropriation $298,387,000

Accident Account—Federal Appropriation $16,765,000

Medical Aid Account—State Appropriation $312,235,000

Medical Aid Account—Federal Appropriation $3,739,000

Plumbing Certificate Account—State Appropriation $1,829,000

Pressure Systems Safety Account—State Appropriation $4,323,000

TOTAL APPROPRIATION $742,533,000

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

(1) $2,193,000 of the accident account—state appropriation and $2,145,000 of the medical aid account—state appropriation are provided solely to business transformation and are subject to the conditions, limitations, and review provided in section 724 of this act.

(2) $2,000,000 of the accident account—state appropriation and $2,000,000 of the medical account—state appropriation are provided solely for a contract with the WTIA workforce institute to provide supplemental instruction for information technology apprentices. Funds spent for this purpose must be matched by an equal amount of funding from the information technology industry members.

(3) $2,117,000 of the electrical license account—state appropriation is provided solely for grants to local governments to start their own electrical inspection programs.

(4)(a) $100,000 of the general fund—state appropriation for fiscal year 2018 is provided solely to engage in rule making under RCW 49.46.020 to review the minimum wage for employees under eighteen years of age in light of the enactment of Initiative Measure No. 1433. In the development of a proposed rule for public comment and consideration, the department shall consider:

(i) Academic research on the contribution employment has on high school graduation rates; admission to institutions of higher education, apprenticeship programs, and other post-secondary educational opportunities; and earnings outcomes later in life;

(ii) Data, where available, on the impact on teen employment in cities that have implemented increases in their minimum wage;

(iii) Options that provide incentives for employers to hire teen workers in their first job, or in roles connected to training programs; and

(iv) Options that insure the safety of teens and adherence to state and federal youth employment laws.

(b) The results of the review and a proposed rule for consideration must be complete by December 1, 2017.

(5)(a) $250,000 of the medical aid account—state appropriation and $250,000 of the accident fund—state appropriation are provided solely for the department to conduct a study on occupational disease claims. The purpose of the study is to identify medical providers who are inappropriately submitting occupational diseases claims and to develop best practices to better identify where employment is the proximate cause of diseases and conditions that are covered under industrial insurance. The study must specifically develop new tools and practices for the department and medical providers to use to assess when a disease or infection is proximately caused by distinctive conditions in employment as opposed to exposure to the disease or infection outside of his or her employment or as an ordinary condition of life to which the general public is exposed without regard to employment. The department, in consultation with the workers' compensation advisory committee, may select distinct diseases, infections, or conditions for review such as hearing loss.

(b) The department must work with its appropriate advisory committees to develop the study and provide a written report on the study to the appropriate committees of the legislature in December 2017 and December 2018.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

(1) HEADQUARTERS

General Fund—State Appropriation (FY 2018) $1,881,000

General Fund—State Appropriation (FY 2019) $1,867,000

Charitable, Educational, Penal, and Reformatory

Institutions Account—State Appropriation $10,000

TOTAL APPROPRIATION $3,758,000

(2) FIELD SERVICES

General Fund—State Appropriation (FY 2018) $6,128,000

General Fund—State Appropriation (FY 2019) $6,105,000

General Fund—Federal Appropriation $3,691,000

General Fund—Private/Local Appropriation $4,715,000

Veteran Estate Management Account—Private/Local

Appropriation $645,000

TOTAL APPROPRIATION $21,284,000

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

(a) $300,000 of the general fund—state appropriation for fiscal year 2018 and $300,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to provide crisis and emergency relief and education, training, and employment assistance to veterans and their families in their communities through the veterans innovation program.

(b) $200,000 of the general fund—state appropriation for fiscal year 2018 and $200,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to implement Senate Bill No. 5849 (addressing the need for veterans services). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(c) $110,000 of the general fund—state appropriation for fiscal year 2018 and $110,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the expansion of the veterans conservation corps by fifteen paid internships.

 (3) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2018) $1,054,000

General Fund—State Appropriation (FY 2019) $970,000

General Fund—Federal Appropriation $86,126,000

General Fund—Private/Local Appropriation $33,486,000

TOTAL APPROPRIATION $121,636,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF HEALTH**

General Fund—State Appropriation (FY 2018) $64,657,000

General Fund—State Appropriation (FY 2019) $64,681,000

General Fund—Federal Appropriation $536,640,000

General Fund—Private/Local Appropriation $182,973,000

Hospital Data Collection Account—State Appropriation $336,000

Health Professions Account—State Appropriation $121,022,000

Aquatic Lands Enhancement Account—State Appropriation $619,000

Emergency Medical Services and Trauma Care Systems

Trust Account—State Appropriation $9,236,000

Safe Drinking Water Account—State Appropriation $5,505,000

Drinking Water Assistance Account—Federal

Appropriation $15,600,000

Waterworks Operator Certification—State Appropriation $1,626,000

Drinking Water Assistance Administrative Account—State

Appropriation $363,000

Site Closure Account—State Appropriation $2,025,000

Biotoxin Account—State Appropriation $1,920,000

State Toxics Control Account—State Appropriation $4,119,000

Medicaid Fraud Penalty Account—State Appropriation $938,000

Medical Test Site Licensure Account—State

Appropriation $2,558,000

Youth Tobacco and Vapor Products Prevention Account—State

Appropriation $4,963,000

Dedicated Marijuana Account—State Appropriation

 (FY 2018) $9,754,000

Dedicated Marijuana Account—State Appropriation

 (FY 2019) $9,754,000

Public Health Supplemental Account—Private/Local

Appropriation $3,247,000

Accident Account—State Appropriation $332,000

Medical Aid Account—State Appropriation $53,000

TOTAL APPROPRIATION $1,042,921,000

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

(1) The department of health shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department of health and the state board of health shall not implement any new or amended rules pertaining to primary and secondary school facilities until the rules and a final cost estimate have been presented to the legislature, and the legislature has formally funded implementation of the rules through the omnibus appropriations act or by statute. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation that provides appropriation authority, and an equal amount of appropriated state moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(2) During the 2017-2019 fiscal biennium, each person subject to RCW 43.70.110(3)(c) is required to pay only one surcharge of up to twenty-five dollars annually for the purposes of RCW 43.70.112, regardless of how many professional licenses the person holds.

(3) Under the authority provided by RCW 43.20B.020, the department is authorized to increase the newborn screening fee by $4.05 per baby screened in order to add X-linked adrenoleukodystrophy to the mandatory newborn screening panel.

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

(5) $6,096,000 of the general fund—private/local appropriation is provided solely for an expansion of targeted case management for high-risk populations with health disparities in the HIV program. High-risk populations include minorities, people with HIV who are over the age of 50, and intravenous drug users. High-risk behavior includes not adhering to medications, skipping medical appointments, dropping out of care, or utilizing an ineffective treatment regimen.

(6) $41,000 of the general fund—state appropriation for fiscal year 2018 and $41,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to submit action plans to address the prevalence of diabetes in the Washington state population.

(7) $1,214,000 of the general fund—state appropriation for fiscal year 2018 and $1,151,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the sampling and testing of drinking water and water fixtures in public schools. The department, in collaboration with the educational service districts, must prioritize testing within elementary schools where drinking water and water fixtures have not been tested for contaminants at any time, and elementary schools where drinking water and water fixtures have not been tested within the past three years.

(8) Within existing appropriations, the department must study the experience of other state agencies, in collaboration with the office of the chief information officer, to prepare for the cost effective migration of servers from the town center campus into the state data center during the 2019-2021 fiscal biennium.

(9) $290,000 of the general fund—state appropriation for fiscal year 2018, $334,000 of the general fund—state appropriation for fiscal year 2019, $500,000 of the general fund—federal appropriation, and $273,000 of the health professions account appropriation are provided solely to implement Substitute Senate Bill No. 5248 (addressing the use and misuse of opioids). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(10) $28,000 of the general fund—state appropriation for fiscal year 2018 and $28,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for staffing capacity at the department to support a performance audit of the fee setting process for each health profession licensed by the department.

(11) The department must reduce by ten percent the general fund—state expenditures for family planning services that exceed the state matching funds required under Title X of the Public Health Service Act, beginning July 1, 2017.

(12) $850,000 of the general fund—state appropriation for fiscal year 2018 and $850,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to support organizations that provide breast and cervical cancer screening at the county level.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF CORRECTIONS**

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund—State Appropriation (FY 2018) $60,847,000

General Fund—State Appropriation (FY 2019) $59,858,000

General Fund—Federal Appropriation $4,000

TOTAL APPROPRIATION $120,709,000

The appropriations in this subsection are subject to the following conditions and limitations: $35,000 of the general fund—state appropriation for fiscal year 2018 and $35,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will investigate and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at-risk of offending, including their mental health, physiological, housing, employment, and job training needs.

(2) CORRECTIONAL OPERATIONS

General Fund—State Appropriation (FY 2018) $503,499,000

General Fund—State Appropriation (FY 2019) $500,597,000

General Fund—Federal Appropriation $818,000

Washington Auto Theft Prevention Authority Account—State

Appropriation $5,846,000

TOTAL APPROPRIATION $1,010,760,000

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

(a) The department may contract for beds statewide to the extent that it is at no net cost to the department. The department shall calculate and report the average cost per offender per day, inclusive of all services, on an annual basis for a facility that is representative of average medium or lower offender costs. The duration of the contracts may be for up to four years. The department shall not pay a rate greater than $98 per day per offender for all costs associated with the offender while in the local correctional facility to include programming and health care costs, or the equivalent of $98 per day per bed including programming and health care costs for full units. The capacity provided at local correctional facilities must be for offenders whom the department of corrections defines as medium or lower security offenders. Programming provided for inmates held in local jurisdictions is included in the rate, and details regarding the type and amount of programming, and any conditions regarding transferring offenders must be negotiated with the department as part of any contract. Local jurisdictions must provide health care to offenders that meet standards set by the department. The local jail must provide all medical care including unexpected emergent care. The department must utilize a screening process to ensure that offenders with existing extraordinary medical/mental health needs are not transferred to local jail facilities. If extraordinary medical conditions develop for an inmate while at a jail facility, the jail may transfer the offender back to the department, subject to terms of the negotiated agreement. Health care costs incurred prior to transfer are the responsibility of the jail.

(b) $501,000 of the general fund—state appropriation for fiscal year 2018 and $501,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to maintain the facility, property, and assets at the institution formerly known as the maple lane school in Rochester.

(c) $1,379,000 of the general fund—state appropriation for fiscal year 2018, and $1,379,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to contract for the use of inmate bed capacity in lieu of prison beds operated by the state to meet prison capacity needs.

(d) $250,000 of the general fund—state appropriation for fiscal year 2018 and $250,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to enter into an agreement to purchase electricity for the Monroe correctional complex from a sawmill waste cogeneration system that is connected to a lumber mill that employs at least 150 people. The agreement cannot increase the total cost for the purchase of electricity for the entire complex.

(e) $434,000 of the general fund—state appropriation for fiscal year 2018 and $1,504,000 of the general fund—state appropriation are provided solely for the implementation of Senate Bill No. 5037 (DUI 4th offense/felony). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(f) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5099 (vulnerable persons/crimes).

(g) The appropriations in this section include sufficient funding for the implementation of Engrossed Second Substitute Senate Bill No. 5294 (Department of Corrections).

(h) The appropriations in this section include sufficient funding for the implementation of Senate Bill No. 5904 (concerning convicted persons).

(i) Within the amounts appropriated in this section, the department of corrections must review the use of full body scanners at state correctional facilities for women to reduce the frequency of strip and body cavity searches and report with recommendations to the governor and the appropriate legislative committees by November 15, 2017. The report must address the cost of technology, installation, and maintenance; the benefits to personnel and inmates; information regarding accumulated exposure to radiation; and general guidelines for implementation at a pilot facility.

(3) COMMUNITY SUPERVISION

General Fund—State Appropriation (FY 2018) $171,517,000

General Fund—State Appropriation (FY 2019) $164,555,000

General Fund—Federal Appropriation $2,207,000

TOTAL APPROPRIATION $338,279,000

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

(a) The department of corrections shall contract with local and tribal governments for the provision of jail capacity to house offenders who violate the terms of their community supervision. A contract shall not have a cost of incarceration in excess of $85 per day per offender. A contract shall not have a year-to-year increase in excess of three percent per year. The contracts may include rates for the medical care of offenders which exceed the daily cost of incarceration and the limitation on year-to-year increases, provided that medical payments conform to the department's offender health plan and pharmacy formulary, and all off-site medical expenses are preapproved by department utilization management staff.

(b) The department shall engage in ongoing mitigation strategies to reduce the costs associated with community supervision violators, including improvements in data collection and reporting and alternatives to short-term confinement for low-level violators.

(c) By November 1, 2017, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature to include a review of the department's policies and procedures related to swift and certain sanctioning, and identification of legal decisions that impact caseload and operations. The report shall include recommendations for improving public and staff safety while decreasing recidivism through improved alignment of the department's policies and procedures with current best practices concerning swift and certain sanctioning. The report shall include a review of department practices, legal decisions that impact caseload and operations, an analysis of current best practices in other jurisdictions that have adopted swift and certain sanctioning, and recommendations to improve the department's practices and procedures.

(d) $16,000 of the general fund—state appropriation for fiscal year 2018, and $363,000 of the general fund—state appropriation are provided solely for the implementation of Senate Bill No. 5037 (DUI 4th offense/felony). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(e) The appropriations in this section include sufficient funding for the implementation of Senate Bill No. 5904 (concerning convicted persons).

(4) CORRECTIONAL INDUSTRIES

General Fund—State Appropriation (FY 2018) $5,932,000

General Fund—State Appropriation (FY 2019) $5,923,000

TOTAL APPROPRIATION $11,855,000

(5) INTERAGENCY PAYMENTS

General Fund—State Appropriation (FY 2018) $41,996,000

General Fund—State Appropriation (FY 2019) $38,959,000

TOTAL APPROPRIATION $80,955,000

(6) OFFENDER CHANGE

General Fund—State Appropriation (FY 2018) $50,847,000

General Fund—State Appropriation (FY 2019) $50,996,000

TOTAL APPROPRIATION $101,843,000

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

(a) The department of corrections shall use funds appropriated in this subsection (6) for offender programming. The department shall develop and implement a written comprehensive plan for offender programming that prioritizes programs which follow the risk-needs-responsivity model, are evidence-based, and have measurable outcomes. The department is authorized to discontinue ineffective programs and to repurpose underspent funds according to the priorities in the written plan.

(b) $32,000 of the general fund—state appropriation for fiscal year 2018 and $165,000 of the general fund—state appropriation are provided solely for the implementation of Senate Bill No. 5037 (DUI 4th offense/felony). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(7) HEALTH CARE SERVICES

General Fund—State Appropriation (FY 2018) $128,761,000

General Fund—State Appropriation (FY 2019) $127,932,000

TOTAL APPROPRIATION $256,693,000

The appropriations in this subsection are subject to the following conditions and limitations: The state prison medical facilities may use funds appropriated in this subsection to purchase services, goods, and supplies through hospital or other group purchasing organizations when it is cost effective to do so.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

General Fund—State Appropriation (FY 2018) $2,434,000

General Fund—State Appropriation (FY 2019) $2,451,000

General Fund—Federal Appropriation $24,580,00

General Fund—Private/Local Appropriation $60,000

TOTAL APPROPRIATION $29,525,000

NEW SECTION. **Sec.**  **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

General Fund—Federal Appropriation $215,863,000

General Fund—Private/Local Appropriation $34,930,000

Unemployment Compensation Administration Account—Federal

Appropriation $263,307,000

Administrative Contingency Account—State Appropriation $20,082,000

Employment Service Administrative Account—State

Appropriation $52,896,000

TOTAL APPROPRIATION $587,078,000

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

(1) The department is directed to maximize the use of federal funds. The department must update its budget annually to align expenditures with anticipated changes in projected revenues.

(2) $4,152,000 of the unemployment compensation administration account—federal appropriation is provided solely to the unemployment tax and benefits systems and is subject to the conditions, limitations, and review provided in section 724 of this act.

(3)(a) For any workforce development council located in a county with a population greater than eight hundred forty thousand, but less than one million five hundred thousand that receives moneys or assistance from appropriations in this section, as a condition of receipt of such moneys or assistance, the workforce development council must participate in a local workforce coordinating committee convened by the county executive authority. The purpose of the local workforce coordinating committee is to facilitate local implementation of the state comprehensive plan for workforce training and education. This committee shall adopt an implementation plan that operationalizes the strategic priorities of the state comprehensive plan in a locally relevant manner.

(b) The local workforce coordinating committee shall be chaired by the county executive authority, and shall be composed of five voting members: (i) The county executive authority; (ii) the chairperson of the county legislative authority; (iii) the chairperson of the local workforce development council; (iv) the chief elected official of a city with a population greater than two hundred thousand; and (v) the chief executive of the local economic development agency.

(c) The local workforce coordinating committee shall include nonvoting, ex officio representation from the following state agencies: (i) The employment security department; (ii) the department of social and health services; (iii) the state board for community and technical colleges; and (iv) the workforce training and education coordinating board.

(d) To assure a locally integrated workforce development system, all publicly funded workforce development activities conducted within the county must align with the implementation plan adopted by the local workforce coordinating committee.

(e) If any part of this section is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned.

**PART III**

**NATURAL RESOURCES**

NEW SECTION. **Sec.**  **FOR THE COLUMBIA RIVER GORGE COMMISSION**

General Fund—State Appropriation (FY 2018) $226,000

General Fund—State Appropriation (FY 2019) $236,000

General Fund—Federal Appropriation $32,000

General Fund—Private/Local Appropriation $930,000

TOTAL APPROPRIATION $1,424,000

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF ECOLOGY**

General Fund—State Appropriation (FY 2018) $25,348,000

General Fund—State Appropriation (FY 2019) $24,986,000

General Fund—Federal Appropriation $104,720,000

General Fund—Private/Local Appropriation $22,358,000

Reclamation Account—State Appropriation $4,025,000

Flood Control Assistance Account—State Appropriation $2,100,000

State Emergency Water Projects Revolving Account—State

Appropriation $40,000

Waste Reduction/Recycling/Litter Control—State

Appropriation $13,367,000

State Drought Preparedness Account—State Appropriation $204,000

State and Local Improvements Revolving Account

(Water Supply Facilities)—State Appropriation $156,000

Aquatic Algae Control Account—State Appropriation $519,000

Water Rights Tracking System Account—State Appropriation $46,000

Wood Stove Education and Enforcement Account—State

Appropriation $555,000

Worker and Community Right-to-Know Account—State

Appropriation $1,821,000

Water Rights Processing Account—State Appropriation $39,000

State Toxics Control Account—State Appropriation $126,215,000

State Toxics Control Account—Private/Local Appropriation $499,000

Local Toxics Control Account—State Appropriation $4,678,000

Water Quality Permit Account—State Appropriation $42,628,000

Underground Storage Tank Account—State Appropriation $3,446,000

Biosolids Permit Account—State Appropriation $2,146,000

Environmental Legacy Stewardship Account—State

Appropriation $39,707,000

Hazardous Waste Assistance Account—State Appropriation $6,194,000

Radioactive Mixed Waste Account—State Appropriation $17,182,000

Air Pollution Control Account—State Appropriation $3,331,000

Oil Spill Prevention Account—State Appropriation $8,180,000

Air Operating Permit Account—State Appropriation $3,682,000

Freshwater Aquatic Weeds Account—State Appropriation $1,447,000

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

Water Pollution Control Revolving Administration

Account—State Appropriation $3,473,000

TOTAL APPROPRIATION $470,168,000

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

(1) $170,000 of the oil spill prevention account—state appropriation is provided solely for a contract with the University of Washington's sea grant program to continue an educational program targeted to small spills from commercial fishing vessels, ferries, cruise ships, ports, and marinas.

(2) $310,000 of the state toxics control account—state appropriation is provided solely for the Spokane river regional toxics task force to address elevated levels of polychlorinated biphenyls in the Spokane river.

(3) $15,000,000 of the general fund—state appropriation for fiscal year 2018 and $15,000,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for activities within the water resources program.

(4) Appropriations in this section are sufficient to implement Senate Bill No. 5230 (small business owners).

(5) $872,000 of the radioactive mixed waste account—state appropriation is provided solely for information technology and regulatory and engineering support to administer the federal department of energy permit, and to properly develop and issue current and future permits. The department shall work cooperatively with the United States department of energy and the environmental protection agency to find efficiencies by streamlining the regulatory cleanup processes, accelerate the permitting process, and develop a clear prioritization of Hanford site cleanup projects.

(6) $150,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the department of ecology to convene a temporary work group to examine options for repealing or amending the rule codified at chapter 173-503 WAC. The department of ecology must consider the advice of the work group and develop recommendations for repealing or amending chapter 173-503 WAC in order to provide relief for individuals harmed by the rule, and to promote more opportunities for development of private property in the area governed by the rule.

(a) The department shall organize the work group; invite individuals to serve as members of the work group; arrange for meeting dates, times, and locations; and provide the administrative support necessary for the operation of the work group, including facilitation of meetings. The department must invite one representative from each of the following groups, organizations, or entities to be a member of the work group: (i) An organization representing landowners affected by chapter 173-503 WAC; (ii) a private property rights advocacy organization; (iii) Skagit county; (iv) Snohomish county; (v) a chamber of commerce or similar business organization representing business interests in Skagit county; (vi) an organization representing agricultural interests in Skagit county; (vii) an organization representing real estate sales or development interests in Skagit county; (viii) the Swinomish Indian tribal community; (ix) the Upper Skagit Indian tribe; (x) the Sauk-Suiattle tribe; (xi) an environmental advocacy organization; and (xii) the department of ecology. Legislators and legislative staff may participate in any meeting of the work group but shall not be members of the work group.

(b) Meetings of the work group must be open to the public and include opportunity for public comment, which may be limited at the discretion of the department in its role as facilitator of meetings. The work group must hold no more than three meetings, each of which must be held in Skagit county. After the final meeting, the department must produce a report based on the advice of the work group containing recommendations for repealing or amending the rule currently codified at chapter 173-503 WAC, consistent with the purpose of the work group as described in this subsection. The department must invite all work group members to submit optional separate concise statements that may be included in an appendix to the report. A work group member is not required to submit a separate statement. The department must provide the report to the legislature by January 8, 2018. The report must include a statement indicating whether the department of ecology will propose to repeal or amend chapter 173-503 WAC. The work group shall be dissolved as of January 8, 2018.

(7) Sufficient funds are provided for implementation of Engrossed Second Substitute Senate Bill No. 5239 (water availability).

(8) The department must convene a work group to develop the state's submission to the environmental mitigation trust created in the national Volkswagen partial consent decree. The purpose of the mitigation trust is to fund eligible mitigation actions that replace diesel emission sources with cleaner technology and allows the beneficiary states to select from a broad array of actions. To become a beneficiary, the state must file a certification form and a state mitigation plan. In order to provide legislators, state agencies, local governments, environmental groups, and other interested stakeholders with an opportunity to shape and provide input on the state's mitigation plan, a work group is created with members as provided in this subsection:

(i) The majority and minority leaders of the senate must appoint one member from each of the two largest caucuses of the senate;

(ii) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house;

(iii) The director of the department of ecology; and

(iv) One additional representative appointed by the governor.

(b) The work group must select a chair from among its membership. Meetings of the work group must be open to the public and allow for public comment.

(c) The department of ecology must provide staff support to the work group. Legislative members of the committee are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, government entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW. Committee expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.

(d) The work group must develop a recommended plan for submittal to the governor and the appropriate committees of the legislature at least ninety days prior to submittal of the state's mitigation plan to the trustee.

(e) $250,000 of the air pollution control account—state appropriation must be held in unalloted reserve status and remain unexpended until the work group completes its work.

(9) No moneys may be expended from the appropriations in this section for public participation grants under RCW 70.105D.070 for any work in Whatcom county.

NEW SECTION. **Sec.**  **FOR THE STATE PARKS AND RECREATION COMMISSION**

General Fund—State Appropriation (FY 2018) $9,349,000

General Fund—State Appropriation (FY 2019) $9,357,000

General Fund—Federal Appropriation $6,934,000

Winter Recreation Program Account—State Appropriation $3,336,000

ORV & Nonhighway Vehicle Account—State Appropriation $229,000

Snowmobile Account—State Appropriation $5,803,000

Aquatic Lands Enhancement Account—State Appropriation $367,000

Outdoor Education and Recreation Program Account—State

Appropriation $1,000,000

Recreation Access Pass Account—State Appropriation $50,000

Parks Renewal and Stewardship Account—State

Appropriation $121,518,000

Parks Renewal and Stewardship Account—Private/Local

Appropriation $318,000

TOTAL APPROPRIATION $158,261,000

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

(1) $79,000 of the general fund—state appropriation for fiscal year 2018, $79,000 of the general fund—state appropriation for fiscal year 2019, and $50,000 of the winter recreation program account—state appropriation are provided solely for a grant for the operation of the Northwest weather and avalanche center.

(2) $100,000 of the general fund—state appropriation for fiscal year 2018 and $100,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the commission to pay assessments charged by local improvement districts.

(3) $700,000 of the parks renewal and stewardship account—state appropriation is provided solely for the commission to replace 32 existing automated pay stations and to install 38 additional automated pay stations within state parks.

(4) The commission must design and implement a recreational metal detector pilot project throughout the state park system. The commission must authorize the recreational use of metal detectors in all developed and disturbed areas of state parks including in campsites, parking areas, boat launches, swim beach areas, and similar areas that have been subject to development. Metal detector use in these areas is subject to reasonable rules and guidelines as described on the department's web site to protect cultural and historical resources. State parks may identify areas of a particular park to be excluded from the pilot project based on the likelihood of impacts to cultural or historical resources in that specific park. The pilot project must be in effect by August 1, 2017.

(5) $50,000 of the recreation access pass account—state appropriation is provided solely for the commission, using its authority under RCW 79A.05.055(3) and in partnership with the department of fish and wildlife and the department of natural resources, to coordinate a process to develop options and recommendations to improve consistency, equity, and simplicity in recreational access fee systems while accounting for the fiscal health and stability of public land management. The process must be collaborative and include other relevant agencies and appropriate stakeholders. The commission must contract with the William D. Ruckelshaus Center or another neutral third party to facilitate meetings and discussions with parties involved in the process and provide a report to the appropriate committees of the legislature by December 1, 2017. The process must analyze and make recommendations on:

(a) Opportunities for federal and state recreational permit fee coordination, including the potential for developing a system that allows a single pass to provide access to federal and state lands;

(b) Opportunities to enhance consistency in the way state and federal recreational access fees apply to various types of recreational users, including those that travel to public lands by motor vehicle, boat, bicycle, foot, or another method; and

(c) Opportunities to develop a comprehensive and consistent statewide approach to recreational fee discounts and exemptions to social and other groups including, but not limited to, disabled persons, seniors, disabled veterans, foster families, low-income residents, and volunteers. This analysis must examine the cost of such a program, and should consider how recreational fee discounts fit into the broader set of benefits provided by the state to these social groups. This includes a review of the efficacy, purpose, and cost of existing recreational fee discounts and exemptions, as well as opportunities for new or modified social group discounts and exemptions. The department of veterans affairs and the department of social and health services must be included in this portion of the process.

(6) Within the appropriations in this section, the commission must grant access to the Iron Horse/John Wayne trail for any person who owns land adjacent to the trail and applies for access or easement for agricultural purposes. The commission may request 24-hour notice prior to any agricultural use for transporting goods or machinery along the length of the trail. No prior notice may be required of adjacent landowners to cross the trail. Access shall not be unreasonably denied and shall be granted within one month of application or within 30 days of the effective date of this section for applications previously submitted from landowners.

NEW SECTION. **Sec.**  **FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

General Fund—State Appropriation (FY 2018) $1,413,000

General Fund—State Appropriation (FY 2019) $1,374,000

General Fund—Federal Appropriation $3,578,000

General Fund—Private/Local Appropriation $24,000

Aquatic Lands Enhancement Account—State Appropriation $493,000

Firearms Range Account—State Appropriation $37,000

Recreation Resources Account—State Appropriation $3,421,000

NOVA Program Account—State Appropriation $1,033,000

TOTAL APPROPRIATION $11,373,000

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

(1) $375,000 of the general fund—state appropriation for fiscal year 2018 and $375,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the salmon recovery funding board to grant to the Hood Canal coordinating council for the sole purpose of conducting an ecosystem impact assessment on the Hood Canal. The assessment is to study any causal relationship between the Hood Canal bridge and migrating steelhead and salmon.

(2) $156,000 of the general fund—state appropriation for fiscal year 2018 and $156,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the board to grant to the Nisqually River Foundation for implementation of the Nisqually watershed stewardship plan.

NEW SECTION. **Sec.**  **FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE**

General Fund—State Appropriation (FY 2018) $2,228,000

General Fund—State Appropriation (FY 2019) $2,237,000

TOTAL APPROPRIATION $4,465,000

NEW SECTION. **Sec.**  **FOR THE CONSERVATION COMMISSION**

General Fund—State Appropriation (FY 2018) $6,815,000

General Fund—State Appropriation (FY 2019) $6,817,000

General Fund—Federal Appropriation $2,301,000

Public Works Assistance Account—State Appropriation $7,602,000

State Toxics Control Account—State Appropriation $1,000,000

TOTAL APPROPRIATION $24,535,000

The appropriations in this section are subject to the following conditions and limitations: $7,600,000 of the public works assistance account—state appropriation is provided solely for implementation of the voluntary stewardship program. This amount may not be used to fund agency indirect and administrative expenses.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

General Fund—State Appropriation (FY 2018) $42,112,000

General Fund—State Appropriation (FY 2019) $40,184,000

General Fund—Federal Appropriation $116,617,000

General Fund—Private/Local Appropriation $62,393,000

ORV & Nonhighway Vehicle Account—State Appropriation $435,000

Aquatic Lands Enhancement Account—State Appropriation $9,643,000

Recreational Fisheries Enhancement—State Appropriation $3,022,000

Warm Water Game Fish Account—State Appropriation $2,664,000

Eastern Washington Pheasant Enhancement Account—State

Appropriation $675,000

State Wildlife Account—State Appropriation $114,680,000

Special Wildlife Account—State Appropriation $70,000

Special Wildlife Account—Federal Appropriation $502,000

Special Wildlife Account—Private/Local Appropriation $3,540,000

Wildlife Rehabilitation Account—State Appropriation $361,000

Hydraulic Project Approval Account—State Appropriation $678,000

Environmental Legacy Stewardship Account—State

Appropriation $2,728,000

Regional Fisheries Enhancement Salmonid Recovery Account—Federal

Appropriation $5,001,000

Oil Spill Prevention Account—State Appropriation $1,073,000

Oyster Reserve Land Account—State Appropriation $527,000

Aquatic Invasive Species Enforcement Account—State

Appropriation $224,000

Aquatic Invasive Species Prevention Account—State

Appropriation $788,000

Performance Audits of Government Account—State

Appropriation $325,000

TOTAL APPROPRIATION $408,242,000

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

(1) $403,000 of the general fund—state appropriation for fiscal year 2018 and $403,000 for fiscal year 2019 are provided solely to pay for emergency fire suppression costs. This amount may not be used to fund agency indirect and administrative expenses.

(2) $1,616,500 of the general fund—state appropriation for fiscal year 2018 and $1,616,500 of the general fund—state appropriation for fiscal year 2019 are provided solely for payments in lieu of real property taxes to counties that elect to receive the payments for department owned game lands within the county.

(3) $415,000 of the general fund—state appropriation for fiscal year 2018, $415,000 of the general fund—state appropriation for fiscal year 2019, and $440,000 of the general fund—federal appropriation are provided solely for county assessments.

(4) Prior to submitting its 2019-2021 biennial operating and capital budget requests related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review the proposed requests. This review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid stocks and meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most cost effective manner. The department shall provide a copy of the HSRG review to the office of financial management with its agency budget proposal.

(5) $400,000 of the general fund—state appropriation for fiscal year 2018 and $400,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the United States army corps of engineers for activities and projects not within Whatcom county.

(6) Within the amounts appropriated in this section, the department shall identify additional opportunities for partnerships in order to keep fish hatcheries operational. Such partnerships shall aim to maintain fish production and salmon recovery with less reliance on state operating funds.

(7) Within available funds, the department must consult with affected tribes and landowners in Skagit county to develop and implement a plan designed to address elk-related agricultural damage and vehicular collisions by using all available and appropriate methods including, but not limited to, cooperative fencing projects and harvest in order to minimize elk numbers on private lands and maximize the number of elk located on state and federal lands. The plan must be implemented by September 1, 2018.

(8) $725,000 of the general fund—state appropriation for fiscal year 2018 and $725,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to enter into cost-sharing contracts with livestock producers to use nonlethal actions to minimize livestock loss from wolves and other carnivores. The department must also support the wolf advisory group in continuing to resolve conflicts between livestock producers, hunters, and wolf population recovery efforts.

(9)(a) $2,500,000 of the general fund—state appropriation for fiscal year 2018 and $2,500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely as one time funding to support the department in response to its budget shortfall. In order to address this shortfall on a long-term basis, the department must develop a plan for balancing projected revenue and expenditures and improving the efficiency and effectiveness of agency operations, including:

(i) Expenditure reduction options that maximize administrative and organizational efficiencies and savings, while avoiding hatchery closures and minimizing impacts to fisheries and hunting opportunities; and

(ii) Additional revenue options and an associated outreach plan designed to ensure that the public, stakeholders, the commission, and legislators have the opportunity to understand and impact the design of the revenue options.

(iii) The range of options created under (a)(i) and (ii) of this subsection must be prioritized by impact on achieving financial stability, impact on the public and fisheries and hunting opportunities, and on timeliness and ability to achieve intended outcomes.

(b) In consultation with the office of financial management, the department must consult with an outside management consultant to evaluate and implement efficiencies to the agency's operations and management practices. Specific areas of evaluation must include:

(i) Potential inconsistencies and increased costs associated with the decentralized nature of organizational authority and operations;

(ii) The department's budgeting and accounting processes, including work done at the central, program, and region levels, with specific focus on efficiencies to be gained by centralized budget control;

(iii) Executive management, program management, and regional management structures, specifically addressing accountability.

(c) In carrying out these planning requirements, the department must provide quarterly updates to the commission, office of financial management, and appropriate legislative committees. The department must provide a final summary of its process and plan by December 1, 2017.

(10) $325,000 of the performance audit of state government account—state appropriation is provided solely for the department, in cooperation with the office of financial management to conduct a zero-based budget review of its operating budget and activities to be submitted with the department's 2019-2021 biennial budget submittal. Information and analysis submitted by the department for the zero-based review under this subsection shall include:

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

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

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

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

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

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

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

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

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF NATURAL RESOURCES**

General Fund—State Appropriation (FY 2018) $48,076,000

General Fund—State Appropriation (FY 2019) $50,229,000

General Fund—Federal Appropriation $27,201,000

General Fund—Private/Local Appropriation $2,372,000

Forest Development Account—State Appropriation $50,023,000

ORV & Nonhighway Vehicle Account—State Appropriation $7,127,000

Surveys and Maps Account—State Appropriation $3,429,000

Aquatic Lands Enhancement Account—State Appropriation $11,934,000

Resources Management Cost Account—State Appropriation $110,488,000

Surface Mining Reclamation Account—State Appropriation $4,035,000

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

Forest and Fish Support Account—State Appropriation $12,770,000

Aquatic Land Dredged Material Disposal Site Account—State

Appropriation $400,000

Natural Resources Conservation Areas Stewardship

Account—State Appropriation $34,000

Marine Resources Stewardship Trust Account—State

Appropriation $3,000

State Toxics Control Account—State Appropriation $5,685,000

Forest Practices Application Account—State Appropriation $1,666,000

Air Pollution Control Account—State Appropriation $845,000

NOVA Program Account—State Appropriation $714,000

Derelict Vessel Removal Account—State Appropriation $1,938,000

Community Forest Trust Account—State Appropriation $52,000

Agricultural College Trust Management Account—State

Appropriation $2,969,000

TOTAL APPROPRIATION $365,066,000

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

(1) $1,420,000 of the general fund—state appropriation for fiscal year 2018 and $1,352,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

(2) $16,546,000 of the general fund—state appropriation for fiscal year 2018 and $16,546,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for emergency fire suppression. The general fund—state appropriations provided in this subsection may not be used to fund the department's indirect and administrative expenses. The department's indirect and administrative costs shall be allocated among its remaining accounts and appropriations.

(3) $5,000,000 of the forest and fish support account—state appropriation is provided solely for outcome-based, performance contracts with tribes to participate in the implementation of the forest practices program. Contracts awarded may only contain indirect costs set at or below the rate in the contracting tribe's indirect cost agreement with the federal government. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.

(4) $1,640,000 of the general fund—state appropriation for fiscal year 2018 and $1,640,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to carry out the forest practices adaptive management program pursuant to RCW 76.09.370 and the May 24, 2012, settlement agreement entered into by the department and the department of ecology. Scientific research must be carried out according to the master project schedule and work plan of cooperative monitoring, evaluation, and research priorities adopted by the forest practices board. The forest practices board shall submit a report to the legislature following review, approval, and solicitation of public comment on the cooperative monitoring, evaluation, and research master project schedule, to include: Cooperative monitoring, evaluation, and research science and related adaptive management expenditure details, accomplishments, the use of cooperative monitoring, evaluation, and research science in decision-making, and funding needs for the coming biennium. The report shall be provided to the appropriate committees of the legislature by October 1, 2018.

(5) $211,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for implementation of Engrossed Substitute Senate Bill No. 5198 (fire retardant use). The department shall study and report on the types and efficacy of fire retardants used in fire suppression activities, their potential impact on human health and natural resources, and make recommendations to the legislature by December 31, 2017. If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(6) $505,000 of the general fund—state appropriation for fiscal year 2018 and $486,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Second Substitute Senate Bill No. 5546 (forest health treatment assessment). The department shall establish a forest health assessment and treatment framework that consists of biennial forest health assessments, treatments, and progress review and reporting. If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(7) $150,000 of the aquatic lands enhancement account—state appropriation is provided solely for implementation of the marine resources advisory council's work and plan, including refinements of mapping activities, data tools, and stakeholder engagement.

(8) $250,000 of the aquatic lands enhancement account—state appropriation is provided solely for ongoing costs of the Washington coastal marine advisory council to serve as a forum and provide recommendations on coastal management issues.

(9) $533,000 of the general fund—state appropriation for fiscal year 2018 and $477,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for Teanaway community forest costs for law enforcement, payments for noxious weed and forest fire protection assessment, and other operations management costs.

(10) $150,000 of the state toxics control account—state appropriation is provided solely for the department to meet its obligations as a potentially liable party under the Washington model toxics control act at Whitmarsh landfill and the east waterway site.

(11) $25,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for conducting an aerial survey of the Washington coast forests to monitor the occurrence and spread of Swiss needle cast disease.

(12)(a) The department must make:

(i) Water right S3-28687C available for sale to the city of Pasco pursuant to RCW 79.17.200 for the benefit of the common school trust; and

(ii) The commercially zoned portions of state trust land known as "Pasco 16" that is south of Interstate 82 and west of road 68 also known as lots 10 and 11 available for lease pursuant to RCW 79.13.120.

(b) If these actions in (a)(i) and (ii) of this subsection are not completed by January 1, 2018, $500,000 of the resource management cost account—state appropriation must be placed in unalloted reserve status and remain unexpended.

(13) Within existing resources, the department, in collaboration with the emergency management division of the military department, must develop agreements with other state agencies to recruit state employees to voluntarily participate in the wildfire suppression program. Other agency staff are eligible to receive training, fire gear, and any other necessary items to be ready for deployment to fight wildfires when called. The department shall cover agency staff costs directly or through reimbursement and must submit a request for an appropriation in the next legislative session to fulfill this requirement. The department must provide a report detailing the opportunities, challenges, and recommendations for increasing state employee voluntary participation in the wildfire suppression program to the appropriate committees of the legislature by December 1, 2017.

(14) $25,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the department to grant to the University of Washington, Olympic natural resources center to develop a plan to mitigate the effects of Swiss needle cast disease on douglas fir tree species.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF AGRICULTURE**

General Fund—State Appropriation (FY 2018) $16,619,000

General Fund—State Appropriation (FY 2019) $16,673,000

General Fund—Federal Appropriation $31,030,000

General Fund—Private/Local Appropriation $193,000

Aquatic Lands Enhancement Account—State Appropriation $2,516,000

State Toxics Control Account—State Appropriation $5,416,000

Water Quality Permit Account—State Appropriation $73,000

TOTAL APPROPRIATION $72,520,000

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

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

(2) Appropriations in this section are sufficient to implement Senate Bill No. 5230 (small business owners).

(3) $132,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to fund an aquaculture coordinator. The aquaculture coordinator will work with shellfish growers and federal, state, and local governments to improve the efficiency and effectiveness of shellfish farm permitting. Many of those improvements will come directly from the shellfish interagency permitting team recommendations.

NEW SECTION. **Sec.**  **FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM**

PLIA Underground Storage Tank Revolving Account—State

Appropriation $10,000

Pollution Liability Insurance Program Trust Account—State

Appropriation $1,281,000

TOTAL APPROPRIATION $1,291,000

NEW SECTION. **Sec.**  **FOR THE PUGET SOUND PARTNERSHIP**

General Fund—State Appropriation (FY 2018) $2,433,000

General Fund—State Appropriation (FY 2019) $2,379,000

General Fund—Federal Appropriation $8,026,000

Aquatic Lands Enhancement Account—State Appropriation $1,403,000

State Toxics Control Account—State Appropriation $713,000

TOTAL APPROPRIATION $14,954,000

The appropriations in this section are subject to the following conditions and limitations: By October 15, 2018, the Puget Sound partnership shall provide the governor a single, prioritized list of state agency 2019-2021 capital and operating budget requests related to Puget Sound restoration.

**PART IV**

**TRANSPORTATION**

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF LICENSING**

General Fund—State Appropriation (FY 2018) $1,642,000

General Fund—State Appropriation (FY 2019) $1,624,000

Architects' License Account—State Appropriation $975,000

Professional Engineers' Account—State Appropriation $3,812,000

Real Estate Commission Account—State Appropriation $10,709,000

Uniform Commercial Code Account—State Appropriation $3,351,000

Real Estate Education Program Account—State

Appropriation $276,000

Real Estate Appraiser Commission Account—State

Appropriation $1,818,000

Business and Professions Account—State Appropriation $18,696,000

Real Estate Research Account—State Appropriation $415,000

Geologists' Account—State Appropriation $53,000

Derelict Vessel Removal Account—State Appropriation $33,000

TOTAL APPROPRIATION $43,404,000

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

(1) $75,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the implementation of Engrossed Senate Bill No. 5268 (concealed pistol license notices). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(2) $198,000 of the general fund—state appropriation for fiscal year 2018 and $11,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for costs related to sending notices to persons to encourage the renewal of vessel registrations.

NEW SECTION. **Sec.**  **FOR THE STATE PATROL**

General Fund—State Appropriation (FY 2018) $41,387,000

General Fund—State Appropriation (FY 2019) $41,335,000

General Fund—Federal Appropriation $16,142,000

General Fund—Private/Local Appropriation $3,081,000

Death Investigations Account—State Appropriation $6,577,000

County Criminal Justice Assistance Account—State

Appropriation $3,572,000

Municipal Criminal Justice Assistance Account—State

Appropriation $1,460,000

Fire Service Trust Account—State Appropriation $131,000

Vehicle License Fraud Account—State Appropriation $64,000

Disaster Response Account—State Appropriation $8,000,000

Fire Service Training Account—State Appropriation $10,982,000

Aquatic Invasive Species Management Account—State

Appropriation $54,000

State Toxics Control Account—State Appropriation $537,000

Fingerprint Identification Account—State Appropriation $15,399,000

TOTAL APPROPRIATION $148,721,000

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

(1) $270,000 of the fire service training account—state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.

(2) $8,000,000 of the disaster response account—state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 through 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.

(3) The Washington state patrol shall comply with RCW 43.88.110 in maintaining proper accounting records and in submitting final adjustments necessary to close their books at the end of each fiscal year in the statutorily required timely manner. These submittals shall be in compliance with applicable budget and accounting regulations to reflect the fiscal position of the patrol and specifically to ensure sufficient accounting of accruals.

(4) $700,000 of the fire service training account—state appropriation is provided solely for the firefighter apprenticeship training program.

(5) $3,421,000 of the fingerprint identification account—state appropriation is provided solely for the completion of the state patrol's plan to upgrade the criminal history system, and is subject to the conditions, limitations, and review provided in section 724 of this act.

(6) $1,039,000 of the fingerprint identification account—state appropriation is provided solely for the implementation of a sexual assault kit tracking database project and is subject to the conditions, limitations, and review provided in section 724 of this act.

(7) $50,000 of the general fund—state appropriation for fiscal year 2018 and $50,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of Senate Bill No. 5274 (WSPRS salary definition). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

**PART V**

**EDUCATION**

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

General Fund—State Appropriation (FY 2018) $51,508,000

General Fund—State Appropriation (FY 2019) $43,846,000

General Fund—Federal Appropriation $67,624,000

General Fund—Private/Local Appropriation $8,037,000

WA Opportunity Pathways Account—State

Appropriation $584,000

Dedicated Marijuana Account—State Appropriation

(FY 2018) $512,000

Dedicated Marijuana Account—State Appropriation

(FY 2019) $512,000

Performance Audits of Government Account—State

Appropriation $210,000

TOTAL APPROPRIATION $172,833,000

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

(1) $9,997,000 of the general fund—state appropriation for fiscal year 2018 and $10,261,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(a) The superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

(b) Districts shall report to the office of the superintendent of public instruction daily student unexcused absence data by school, using a uniform definition of unexcused absence as established by the superintendent.

(c) By September of each year, the office of the superintendent of public instruction shall produce an annual status report on implementation of the budget provisos in sections 501 and 513 of this act. The status report of each proviso shall include, but not be limited to, the following information: Purpose and objective, number of state staff funded by the proviso, number of contractors, status of proviso implementation, number of beneficiaries by year, list of beneficiaries, a comparison of budgeted funding and actual expenditures, other sources and amounts of funding, and proviso outcomes and achievements.

(d) The superintendent of public instruction, in consultation with the secretary of state, shall update the program prepared and distributed under RCW 28A.230.150 for the observation of temperance and good citizenship day to include providing an opportunity for eligible students to register to vote at school.

(e) Districts shall annually report to the office of the superintendent of public instruction on: (i) The annual number of graduating high school seniors within the district earning the Washington state seal of biliteracy provided in RCW 28A.300.575; and (ii) the number of high school students earning competency-based high school credits for world languages by demonstrating proficiency in a language other than English. The office of the superintendent of public instruction shall provide a summary report to the office of the governor and the appropriate committees of the legislature by December 1st of each year.

(2) $857,000 of the general fund—state appropriation for fiscal year 2018 and $857,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for activities associated with the implementation of new school finance systems required by chapter 236, Laws of 2010 (K-12 education funding) and chapter 548, Laws of 2009 (state's education system), including technical staff, systems reprogramming, and workgroup deliberations, including the data governance working group.

(3)(a) $911,000 of the general fund—state appropriation for fiscal year 2018 and $911,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(b) $322,000 of the Washington opportunity pathways account—state appropriation is provided solely for the state board of education to provide assistance to public schools other than common schools authorized under chapter 28A.710 RCW.

(4) $4,618,000 of the general fund—state appropriation for fiscal year 2018 and $4,618,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to the professional educator standards board for the following:

(a) $1,115,000 in fiscal year 2018 and $1,115,000 in fiscal year 2019 are for the operation and expenses of the Washington professional educator standards board;

(b) $2,372,000 of the general fund—state appropriation for fiscal year 2018 and $2,372,000 of the general fund—state appropriation for fiscal year 2019 are for grants to improve preservice teacher training and for funding of alternate routes to certification programs administered by the professional educator standards board. Alternate routes programs include the pipeline for paraeducators program, the retooling to teach conditional loan programs, and the recruiting Washington teachers program. Priority shall be given to programs that support bilingual teachers and English language learners. Within this subsection (4)(b), up to $500,000 per fiscal year is available for grants to public or private colleges of education in Washington state to develop models and share best practices for increasing the classroom teaching experience of preservice training programs;

(c) $25,000 of the general fund—state appropriation for fiscal year 2018 and $25,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the professional educator standards board to develop educator interpreter standards and identify interpreter assessments that are available to school districts. Interpreter assessments should meet the following criteria: (A) Include both written assessment and performance assessment; (B) be offered by a national organization of professional sign language interpreters and transliterators; and (C) be designed to assess performance in more than one sign system or sign language. The board shall establish a performance standard, defining what constitutes a minimum assessment result, for each educational interpreter assessment identified. The board shall publicize the standards and assessments for school district use.

(d) $1,106,000 of the general fund—state appropriation for fiscal year 2018 and $1,106,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Senate Bill No. 5070 (paraeducators). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(5) $266,000 of the general fund—state appropriation for fiscal year 2018 and $266,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 240, Laws of 2010, including staffing the office of equity and civil rights. Within the amounts provided in this subsection, the office of the superintendent of public instruction shall:

(a) Maintain and have available upon request a list of school districts that have and have not adopted the Washington state school directors' association's model policy on language access for limited-English proficient parents;

(b) Adopt rules regarding school districts' communication of the language access policy and procedure to parents, students, employees, and volunteers; and

(c) Publish to the agency web site a listing of language access services providers available to school districts, including but not limited to, the telephonic, in-person, or video-remote interpreter services vendors on contract with the state of Washington, including contact information and training programs that are available to support school districts in preparing employees for how to access and effectively use an interpreter.

(6) $50,000 of the general fund—state appropriation for fiscal year 2018 and $50,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the ongoing work of the education opportunity gap oversight and accountability committee.

(7) $61,000 of the general fund—state appropriation for fiscal year 2018 and $61,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 380, Laws of 2009 (enacting the interstate compact on educational opportunity for military children).

(8) $262,000 of the Washington opportunity pathways account—state appropriation is provided solely for activities related to public schools other than common schools authorized under chapter 28A.710 RCW.

(9) $1,802,000 of the general fund—state appropriation for fiscal year 2018 and $1,802,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementing a comprehensive data system to include financial, student, and educator data, including development and maintenance of the comprehensive education data and research system (CEDARS).

(10) $50,000 of the general fund—state appropriation for fiscal year 2018 and $50,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote participation in government by middle school students.

(11) $1,500,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for collaborative schools for innovation and success authorized under chapter 53, Laws of 2012. The office of the superintendent of public instruction shall award $500,000 in funding for each collaborative school for innovation and success selected for participation in the pilot program during 2012.

(12) $123,000 of the general fund—state appropriation for fiscal year 2018 and $123,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of chapter 163, Laws of 2012 (foster care outcomes). The office of the superintendent of public instruction shall annually report each December on the implementation of the state's plan of cross-system collaboration to promote educational stability and improve education outcomes of foster youth.

(13) $250,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for implementation of chapter 178, Laws of 2012 (open K-12 education resources).

(14) $93,000 of the general fund—state appropriation for fiscal year 2016 and $93,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for chapter 185, Laws of 2011 (bullying prevention), which requires the office of the superintendent of public instruction to convene an ongoing workgroup on school bullying and harassment prevention. Within the amounts provided, $140,000 is for youth suicide prevention activities.

(15) $14,000 of the general fund—state appropriation for fiscal year 2018 and $14,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of chapter 242, Laws of 2013 (state-tribal education compacts).

(16) $62,000 of the general fund—state appropriation for fiscal year 2018 and $62,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for competitive grants to school districts to increase the capacity of high schools to offer AP computer science courses. In making grant allocations, the office of the superintendent of public instruction must give priority to schools and districts in rural areas, with substantial enrollment of low-income students, and that do not offer AP computer science. School districts may apply to receive either or both of the following grants:

(a) A grant to establish partnerships to support computer science professionals from private industry serving on a voluntary basis as coinstructors along with a certificated teacher, including via synchronous video, for AP computer science courses; or

(b) A grant to purchase or upgrade technology and curriculum needed for AP computer science, as well as provide opportunities for professional development for classroom teachers to have the requisite knowledge and skills to teach AP computer science.

(17) $10,000 of the general fund—state appropriation for fiscal year 2018 and $10,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the superintendent of public instruction to convene a committee for the selection and recognition of Washington innovative schools. The committee shall select and recognize Washington innovative schools based on the selection criteria established by the office of the superintendent of public instruction, in accordance with chapter 202, Laws of 2011 (innovation schools—recognition) and chapter 260, Laws of 2011 (innovation schools and zones).

(18) $100,000 of the general fund—state appropriation for fiscal year 2018 and $100,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the Mobius science center to expand mobile outreach of science, technology, engineering, and mathematics (STEM) education to students in rural, tribal, and low-income communities.

(19) $131,000 of the general fund—state appropriation for fiscal year 2018, $131,000 of the general fund—state appropriation for fiscal year 2019, and $210,000 of the performance audits of government account—state appropriation are provided solely for the office of the superintendent of public instruction to perform on-going program reviews of alternative learning experience programs, dropout reengagement programs, and other high risk programs. Findings from the program reviews will be used to support and prioritize the office of the superintendent of public instruction outreach and education efforts that assist school districts in implementing the programs in accordance with statute and legislative intent, as well as to support financial and performance audit work conducted by the office of the state auditor.

(20) $31,000 of the general fund—state appropriation for fiscal year 2018 and $55,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the office of the superintendent of public instruction for statewide implementation of career and technical education course equivalency frameworks authorized under RCW 28A.700.070 for math and science. This may include development of additional equivalency course frameworks, course performance assessments, and professional development for districts implementing the new frameworks.

(21) $142,000 of the general fund—state appropriation for fiscal year 2018 and $142,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for youth suicide prevention activities.

(22) $2,541,000 of the general fund—state appropriation for fiscal year 2018 and $2,541,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(23) $210,000 of the general fund—state appropriation for fiscal year 2018 and $210,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(24) $1,221,000 of the general fund—state appropriation for fiscal year 2018 and $1,221,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network.

(25) $3,940,000 of the general fund—state appropriation for fiscal year 2018 and $3,940,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the Washington state achievers scholarship and Washington higher education readiness program. The funds shall be used to: Support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars; and to identify and reduce barriers to college for low-income and underserved middle and high school students.

(26) $1,354,000 of the general fund—state appropriation for fiscal year 2018 and $1,354,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(27) $1,000,000 of the general fund—state appropriation for fiscal year 2018, $1,000,000 of the general fund—state appropriation for fiscal year 2019, and $1,024,000 of the dedicated marijuana account—state appropriation are provided solely for dropout prevention, intervention, and reengagement programs, including the jobs for America's graduates (JAG) program, dropout prevention programs that provide student mentoring, and the building bridges statewide program. Students in the foster care system or who are homeless shall be given priority by districts offering the jobs for America's graduates program. The office of the superintendent of public instruction shall convene staff representatives from high schools to meet and share best practices for dropout prevention. Of these amounts, $512,000 of the dedicated marijuana account—state appropriation for fiscal year 2018, and $512,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for the building bridges statewide program.

(28) $2,984,000 of the general fund—state appropriation for fiscal year 2018 and $2,984,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the Washington kindergarten inventory of developing skills. State funding shall support statewide administration and district implementation of the inventory under RCW 28A.655.080.

(29) $75,000 of the general fund—state appropriation for fiscal year 2018 and $75,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to subsidize advanced placement exam fees and international baccalaureate class fees and exam fees for low-income students. To be eligible for the subsidy, a student must be either enrolled or eligible to participate in the federal free or reduced-price lunch program, and the student must have maximized the allowable federal contribution. The office of the superintendent of public instruction shall set the subsidy in an amount so that the advanced placement exam fee does not exceed $15.00 and the combined class and exam fee for the international baccalaureate does not exceed $14.50.

(30) $293,000 of the general fund—state appropriation for fiscal year 2018 and $293,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the office of the superintendent of public instruction to support district implementation of comprehensive guidance and planning programs consistent with RCW 28A.600.045.

(31) $3,758,000 of the general fund—state appropriation for fiscal year 2018 and $3,758,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Engrossed Second Substitute House Bill No. 1546 (dual credit education opportunities).

(32) $117,000 of the general fund—state appropriation for fiscal year 2018 and $117,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of chapter 3 (SHB No. 1813), Laws of 2015 1st sp. sess. (computer science).

(33)(a) $250,000 of the general fund—state appropriation for fiscal year 2018 and $250,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the office of the superintendent of public instruction to implement a K-12 dual language expansion grant program to build and expand well-implemented, sustainable dual language programs and create state-level infrastructure dedicated to dual language instruction.

(b) The superintendent shall award grants to pairs of school districts for periods of two years. Each awarded pair must have one district with an established dual language program with a plan for expansion, and another district with the desire to implement a new dual language program.

(c) Grant funds may be used for professional development, supplemental materials, training, administrative staffing of the program, site visits, recruiting bilingual teachers and instructional aides, program evaluation, and coaching.

(34) $125,000 of the general fund—state appropriation for fiscal year 2018 and $125,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the Kip Tokuda memorial Washington civil liberties public education program. The superintendent of public instruction shall award grants consistent with RCW 28A.300.410.

(35) $1,000,000 of the general fund—state appropriation for fiscal year 2016 and $1,000,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the computer science and education grant program to support the following three purposes: Train and credential teachers in computer sciences; provide and upgrade technology needed to learn computer science; and, for computer science frontiers grants to introduce students to and engage them in computer science. The office of the superintendent of public instruction must use the computer science learning standards adopted pursuant to Substitute House Bill No. 1813 (computer science) in implementing the grant, to the extent possible. Additionally, grants provided for the purpose of introducing students to computer science are intended to support innovative ways to introduce and engage students from historically underrepresented groups, including girls, low-income students, and minority students, to computer science and to inspire them to enter computer science careers. Grant funds for the computer science and education grant program may be expended only to the extent that they are equally matched by private sources for the program, including gifts, grants, or endowments.

(36) $1,461,000 of the general fund—state appropriation for fiscal year 2018 and $1,461,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a contract with a nongovernmental entity or entities for demonstration sites to improve the educational outcomes of students who are dependent pursuant to chapter 13.34 RCW pursuant to chapter 71, Laws of 2016 (Fourth Substitute House Bill No. 1999, foster youth edu. outcomes).

(a) Of the amount provided in this subsection, $446,000 of the general fund—state appropriation for fiscal year 2018 and $446,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the demonstration site established pursuant to the 2013-2015 omnibus appropriations act, section 202(10), chapter 4, Laws of 2013, 2nd sp. sess.

(b) Of the amount provided in this subsection, $1,015,000 of the general fund—state appropriation for fiscal year 2018 and $1,015,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the demonstration site established pursuant to the 2015-2017 omnibus appropriations act, section 501(43)(b), chapter 4, Laws of 2015, 3rd sp. sess., as amended.

(37) $753,000 of the general fund—state appropriation for fiscal year 2018 and $703,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of chapter 72, Laws of 2016 (Fourth Substitute House Bill No. 1541, educational opportunity gap).

(38) $57,000 of the general fund—state appropriation for fiscal year 2018 and $15,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of chapter 240, Laws of 2016 (Engrossed Senate Bill No. 6620, school safety).

(39) $6,340,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for implementation of Substitute Senate Bill No. 5607 (education). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(40) $741,000 of the general fund—state appropriation for fiscal year 2018 and $741,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Substitute Senate Bill No. 5712 (bilingual workforce). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(41) $62,000 of the general fund—state appropriation for fiscal year 2018 and $63,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Second Substitute Senate Bill No. 5236 (civics learning partnership). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(42) $200,000 of the general fund—state appropriation for fiscal year 2018 and $300,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of a statewide career and technical education course equivalency framework for high schools and skill centers in science, technology, engineering, and mathematics as required under Substitute Senate Bill No. 5853 (career technical education).

(43) $178,000 of the general fund—state appropriation for fiscal year 2018 and $179,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Second Substitute Senate Bill No. 5258 (Washington Aim Program). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(44) $440,000 of the general fund—state appropriation for fiscal year 2018 and $270,000 of the general fund—state appropriation for fiscal year 2019 are provided solely on a one-time basis for the procurement and implementation of a report computer server that will connect state and district-level information to secure and protect district, school, and student information in order to close student performance gaps by assisting school districts in the data-driven implementation of strategies and supports that are responsive to student needs.

(45) $150,000 of the general fund—state appropriation for fiscal year 2018 and $450,000 of the general fund—state appropriation for fiscal year 2019 are provided to develop and implement a statewide accountability system to improve student graduation rates. The system will use data to engage schools and districts in identifying successful strategies and systems that are based on federal and state accountability measures. Funding will also support the effort to provide assistance about successful strategies and systems to districts and schools that are underperforming in the targeted student subgroups.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL APPORTIONMENT**

General Fund—State Appropriation (FY 2018) $7,241,916,000

General Fund—State Appropriation (FY 2019) $8,765,841,000

Education Legacy Trust Account—State Appropriation $1,095,730,000

TOTAL APPROPRIATION $17,103,487,000

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

(1)(a) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b) For the 2017-18 school year, the superintendent shall allocate general apportionment funding to school districts as provided in the funding formulas and salary schedules in sections 502 and 503 of this act, excluding (c) and (d) of this subsection.

(c) From July 1, 2017, to August 31, 2017, the superintendent shall allocate general apportionment funding to school districts programs as provided in sections 502 and 503, chapter 4, Laws of 2015 3rd sp. sess., as amended.

(d) From July 1, 2018, to August 31, 2018, the superintendent shall allocate general apportionment funding to school districts programs as provided in subsections (2) through (13) of this section.

**FOR THE 2017-18 SCHOOL YEAR**

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2017-18 school year are determined using formula-generated staff units calculated pursuant to this subsection.

(a) Certificated instructional staff units, as defined in RCW 28A.150.410, shall be allocated to reflect the minimum class size allocations, requirements, and school prototypes assumptions as provided in RCW 28A.150.260, except that the allocation for guidance counselors in a middle school shall be 1.216 for the 2017-18 school year, this enhancement is within the program of basic education. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent student enrollment in each grade.

(b) Additional certificated instructional staff units provided in this subsection (2) that exceed the minimum requirements in RCW 28A.150.260 are enhancements outside the program of basic education, except as otherwise provided in this section.

(c)(i) The superintendent shall base allocations for each level of prototypical school on the following regular education average class size of full-time equivalent students per teacher, except as provided in (c)(ii) of this subsection:

|  |  |  |
| --- | --- | --- |
| General education class size: |  |  |
| Grade |     RCW 28A.150.260 | 2017-18School Year |
| Grade K |  | 17.00 |
| Grade 1 |  | 17.00 |
| Grade 2 |  | 17.00 |
| Grade 3 |  | 17.00 |
| Grade 4 |  | 27.00 |
| Grades 5-6 |  | 27.00 |
| Grades 7-8 |  | 28.53 |
| Grades 9-12 |  | 28.74 |

The superintendent shall base allocations for laboratory science, career and technical education (CTE) and skill center programs average class size as provided in RCW 28A.150.260.

(ii) For each level of prototypical school at which more than fifty percent of the students were eligible for free and reduced-price meals in the prior school year, the superintendent shall allocate funding based on the following average class size of full-time equivalent students per teacher:

|  |  |
| --- | --- |
| General education class size in high poverty schools: |  |
| Grade | RCW 28A.150.260 | 2017-18School Year |
| Grade K |  | 17.00 |
| Grade 1 |  | 17.00 |
| Grade 2 |  | 17.00 |
| Grade 3 |  | 17.00 |
| Grade 4 |  | 27.00 |
| Grades 5-6 |  | 27.00 |
| Grades 7-8 |  | 28.53 |
| Grades 9-12 |  | 28.74 |

(iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher planning period, expressed as a percentage of a teacher work day, is 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

(iv) Advanced placement and international baccalaureate courses are funded at the same class size assumptions as general education schools in the same grade; and

(d)(i) Funding for teacher librarians, school nurses, social workers, school psychologists, and guidance counselors is allocated based on the school prototypes as provided in RCW 28A.150.260 and (a) of this subsection and is considered certificated instructional staff, except as provided in (d)(ii) of this subsection.

(ii) Students in approved career and technical education and skill center programs generate certificated instructional staff units to provide for the services of teacher librarians, school nurses, social workers, school psychologists, and guidance counselors at the following combined rate per 1000 student full-time equivalent enrollment:

|  |  |
| --- | --- |
|  | 2017-18School Year |
| Career and Technical Education | 3.07 |
| Skill Center | 3.41 |

(3) ADMINISTRATIVE STAFF ALLOCATIONS

(a) Allocations for school building-level certificated administrative staff salaries for the 2017-18 school year for general education students are determined using the formula generated staff units calculated pursuant to this subsection. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent enrollment in each grade. The following prototypical school values shall determine the allocation for principals, assistance principals, and other certificated building level administrators:

|  |  |  |
| --- | --- | --- |
| Prototypical School Building: |  |  |
| Elementary School |  | 1.253 |
| Middle School |  | 1.353 |
| High School |  | 1.880 |

(b) Students in approved career and technical education and skill center programs generate certificated school building-level administrator staff units at per student rates that are a multiple of the general education rate in (a) of this subsection by the following factors: Career and Technical Education students 1.025

Skill Center students 1.198

(4) CLASSIFIED STAFF ALLOCATIONS

Allocations for classified staff units providing school building-level and district-wide support services for the 2017-18 school year are determined using the formula-generated staff units provided in RCW 28A.150.260, and adjusted based on each district's annual average full-time equivalent student enrollment in each grade, except that the allocation for parent involvement coordinators in an elementary school shall be 0.0825 for the 2017-18 school year, which enhancement is within the program of basic education.

(5) CENTRAL OFFICE ALLOCATIONS

In addition to classified and administrative staff units allocated in subsections (3) and (4) of this section, classified and administrative staff units are provided for the 2017-18 school year for the central office administrative costs of operating a school district, at the following rates:

(a) The total central office staff units provided in this subsection (5) are calculated by first multiplying the total number of eligible certificated instructional, certificated administrative, and classified staff units providing school-based or district-wide support services, as identified in RCW 28A.150.260(6)(b) and the increased allocations provided pursuant to subsections (2) and (4) of this section, by 5.3 percent.

(b) Of the central office staff units calculated in (a) of this subsection, 74.53 percent are allocated as classified staff units, as generated in subsection (4) of this section, and 25.47 percent shall be allocated as administrative staff units, as generated in subsection (3) of this section.

(c) Staff units generated as enhancements outside the program of basic education to the minimum requirements of RCW 28A.150.260, and staff units generated by skill center and career-technical students, are excluded from the total central office staff units calculation in (a) of this subsection.

(d) For students in approved career-technical and skill center programs, central office classified units are allocated at the same staff unit per student rate as those generated for general education students of the same grade in this subsection (5), and central office administrative staff units are allocated at staff unit per student rates that exceed the general education rate established for students in the same grade in this subsection (5) by 1.71 percent in the 2017-18 school year for career and technical education students, and 17.61 percent in the 2017-18 school year for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 23.49 percent in the 2017-18 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 24.6 percent in the 2017-18 school year for classified salary allocations provided under subsections (4) and (5) of this section.

(7) INSURANCE BENEFIT ALLOCATIONS

Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504 of this act, based on the number of benefit units determined as follows:

(a) The number of certificated staff units determined in subsections (2), (3), and (5) of this section; and

(b) The number of classified staff units determined in subsections (4) and (5) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purpose of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1,440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

Funding is allocated per annual average full-time equivalent student for the materials, supplies, and operating costs (MSOC) incurred by school districts, consistent with the requirements of RCW 28A.150.260.

(a)(i) MSOC funding for general education students are allocated at the following per student rates:

|  |
| --- |
| MSOC RATES/STUDENT FTE |
|  |  |
| MSOC Component | 2017-18School Year |
|  |  |
| Technology | $130.76 |
| Utilities and Insurance | $355.30 |
| Curriculum and Textbooks | $140.39 |
| Other Supplies and Library Materials | $298.05 |
| Instructional Professional Development for Certificatedand Classified Staff |  $21.71 |
| Facilities Maintenance | $176.01 |
| Security and Central Office | $121.94 |
| TOTAL BASIC EDUCATION MSOC/STUDENT FTE | $1,244.16 |

(ii) For the 2017-18 school year, as part of the budget development, hearing, and review process required by chapter 28A.505 RCW, each school district must disclose: (A) The amount of state funding to be received by the district under (a) and (d) of this subsection (8); (B) the amount the district proposes to spend for materials, supplies, and operating costs; (C) the difference between these two amounts; and (D) if (A) of this subsection (8)(a)(ii) exceeds (B) of this subsection (8)(a)(ii), any proposed use of this difference and how this use will improve student achievement.

(b) Students in approved skill center programs generate per student FTE MSOC allocations of $1,308.87 for the 2017-18 school year.

(c) Students in approved exploratory and preparatory career and technical education programs generate a per student MSOC allocation of $1,472.01 for the 2017-18 school year.

(d) Students in grades 9-12 generate per student FTE MSOC allocations in addition to the allocation provided in (a) through (c) of this subsection at the following rate:

|  |  |
| --- | --- |
| MSOC Component | 2017-18School Year |
| Technology | $37.60 |
| Curriculum and Textbooks | $41.02 |
| Other Supplies and Library Materials | $85.46 |
| Instructional Professional Development for Certifiedand Classified Staff | $6.83 |
| TOTAL GRADE 9-12 BASIC EDUCATION MSOC/STUDENT FTE | $170.91 |

(9) SUBSTITUTE TEACHER ALLOCATIONS

For the 2017-18 school year, funding for substitute costs for classroom teachers is based on four (4) funded substitute days per classroom teacher unit generated under subsection (2) of this section, at a daily substitute rate of $151.86.

(10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

(a) Amounts provided in this section from July 1, 2017, to August 31, 2017, are adjusted to reflect provisions of chapter 4, Laws of 2015 3rd sp. sess., as amended (allocation of funding for students enrolled in alternative learning experiences).

(b) The superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives, as well as accurate, monthly headcount and FTE enrollment claimed for basic education, including separate counts of resident and nonresident students.

(11) DROPOUT REENGAGEMENT PROGRAM

The superintendent shall adopt rules to require students claimed for general apportionment funding based on enrollment in dropout reengagement programs authorized under RCW 28A.175.100 through 28A.175.115 to meet requirements for at least weekly minimum instructional contact, academic counseling, career counseling, or case management contact. Districts must also provide separate financial accounting of expenditures for the programs offered by the district or under contract with a provider, as well as accurate monthly headcount and full-time equivalent enrollment claimed for basic education, including separate enrollment counts of resident and nonresident students.

(12) ALL DAY KINDERGARTEN PROGRAMS

Funding in this section is sufficient to fund all day kindergarten programs in all schools in the 2017-18 school year, pursuant to RCW 28A.150.220 and 28A.150.315.

(13) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND NECESSARY PLANTS

For small school districts and remote and necessary school plants within any district which have been judged to be remote and necessary by the superintendent of public instruction, additional staff units are provided to ensure a minimum level of staffing support for school year 2017-18. Additional administrative and certificated instructional staff units provided to districts in this subsection shall be reduced by the general education staff units, excluding career and technical education and skills center enhancement units, otherwise provided in subsections (2) through (5) of this section on a per district basis.

(a) For districts enrolling not more than twenty-five average annual full-time equivalent students in grades K-8, and for small school plants within any school district which have been judged to be remote and necessary by the superintendent of public instruction and enroll not more than twenty-five average annual full-time equivalent students in grades K-8:

(i) For those enrolling no students in grades 7 and 8, 1.76 certificated instructional staff units and 0.24 certificated administrative staff units for enrollment of not more than five students, plus one-twentieth of a certificated instructional staff unit for each additional student enrolled; and

(ii) For those enrolling students in grades 7 or 8, 1.68 certificated instructional staff units and 0.32 certificated administrative staff units for enrollment of not more than five students, plus one-tenth of a certificated instructional staff unit for each additional student enrolled;

(b) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full-time equivalent students in grades K-8, and for small school plants within any school district which enroll more than twenty-five average annual full-time equivalent students in grades K-8 and have been judged to be remote and necessary by the superintendent of public instruction:

(i) For enrollment of up to sixty annual average full-time equivalent students in grades K-6, 2.76 certificated instructional staff units and 0.24 certificated administrative staff units; and

(ii) For enrollment of up to twenty annual average full-time equivalent students in grades 7 and 8, 0.92 certificated instructional staff units and 0.08 certificated administrative staff units;

(c) For districts operating no more than two high schools with enrollments of less than three hundred average annual full-time equivalent students, for enrollment in grades 9-12 in each such school, other than alternative schools, except as noted in this subsection:

(i) For remote and necessary schools enrolling students in any grades 9-12 but no more than twenty-five average annual full-time equivalent students in grades K-12, four and one-half certificated instructional staff units and one-quarter of a certificated administrative staff unit;

(ii) For all other small high schools under this subsection, nine certificated instructional staff units and one-half of a certificated administrative staff unit for the first sixty average annual full-time equivalent students, and additional staff units based on a ratio of 0.8732 certificated instructional staff units and 0.1268 certificated administrative staff units per each additional forty-three and one-half average annual full-time equivalent students;

(iii) Districts receiving staff units under this subsection shall add students enrolled in a district alternative high school and any grades nine through twelve alternative learning experience programs with the small high school enrollment for calculations under this subsection;

(d) For each nonhigh school district having an enrollment of more than seventy annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-8 program or a grades 1-8 program, an additional one-half of a certificated instructional staff unit;

(e) For each nonhigh school district having an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-6 program or a grades 1-6 program, an additional one-half of a certificated instructional staff unit;

(f)(i) For enrollments generating certificated staff unit allocations under (a) through (e) of this subsection, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

(ii) For each nonhigh school district with an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, an additional one-half of a classified staff unit; and

(g) School districts receiving additional staff units to support small student enrollments and remote and necessary plants under this subsection (12) shall generate additional MSOC allocations consistent with the nonemployee related costs (NERC) allocation formula in place for the 2010-11 school year as provided section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually for inflation.

**FOR THE 2018-19 SCHOOL YEAR**

(14)(a) The superintendent shall allocate general apportionment funding to school districts for the 2018-19 school year as provided in section 102(4)(a) and (5) of chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5607) and chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5875).

(b) Funding is provided for a state basic per pupil guarantee of $9,200 per student for the 2018-19 school year. The per pupil guarantee is set at $10,200 per student for the 2019-20 school year.

(c) The $63,865,096 housing allowance distribution in school year 2018-19 and the $65,014,667 housing allowance distribution in school year 2019-20, as required under section 504, chapter . . . (Substitute Senate Bill No. 5607), Laws of 2017, as amended by chapter . . . (Substitute Senate Bill No. 5875), Laws of 2017, are not considered part of the definition or funding of the instructional program of basic education under Article IX of the state constitution.

(d) For purposes of the tax specified in RCW 84.52.065, as amended by section 201, c . . . (Substitute Senate Bill No. 5607), Laws of 2017, as amended by chapter . . . (Substitute Senate Bill No. 5875), Laws of 2017, the tax rate is $0.45 per thousand dollars of assessed value for calendar year 2018 and $1.55 per thousand dollars of assessed value for calendar year 2019. These tax rates shall be applied to the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.

**FOR THE 2017-18 AND 2018-19 SCHOOL YEARS**

(15) Any school district board of directors may petition the superintendent of public instruction by submission of a resolution adopted in a public meeting to reduce or delay any portion of its basic education allocation for any school year. The superintendent of public instruction shall approve such reduction or delay if it does not impair the district's financial condition. Any delay shall not be for more than two school years. Any reduction or delay shall have no impact on levy authority pursuant to RCW 84.52.0531 and local effort assistance pursuant to chapter 28A.500 RCW.

(16) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the fourth day of school in September and on the first school day of each month October through June, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district. Any school district concluding its basic education program in May must report the enrollment of the last school day held in May in lieu of a June enrollment.

(a)(i) Funding provided in this part V of this act is sufficient to provide each full-time equivalent student with the minimum hours of instruction required under RCW 28A.150.220.

(ii) The office of the superintendent of public instruction shall align the agency rules defining a full-time equivalent student with the increase in the minimum instructional hours under RCW 28A.150.220, as amended by the legislature in 2014.

(b) The superintendent shall adopt rules requiring school districts to report full-time equivalent student enrollment as provided in RCW 28A.655.210.

(c) For the 2017-18 school year, school districts must report to the office of the superintendent of public instruction the monthly actual average district-wide class size across each grade level of kindergarten, first grade, second grade, and third grade classes. The superintendent of public instruction shall report this information to the education and fiscal committees of the house of representatives and the senate by September 30, 2018.

(17) The superintendent may distribute funding for the following programs outside the basic education formula during fiscal years 2018 and 2019 as follows:

(a) $638,000 of the general fund—state appropriation for fiscal year 2018 and $648,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW.

(b) $436,000 of the general fund—state appropriation for fiscal year 2018 and $436,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed $500 per full-time equivalent student enrolled in those programs.

(18) $225,000 of the general fund—state appropriation for fiscal year 2018 and $229,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for school district emergencies as certified by the superintendent of public instruction. Funding provided must be conditioned upon the written commitment and plan of the school district board of directors to repay the grant with any insurance payments or other judgments that may be awarded, if applicable. At the close of the fiscal year the superintendent of public instruction shall report to the office of financial management and the appropriate fiscal committees of the legislature on the allocations provided to districts and the nature of the emergency.

(19) Funding in this section is sufficient to fund a maximum of 1.6 FTE enrollment for skills center students pursuant to chapter 463, Laws of 2007.

(20) Students participating in running start programs may be funded up to a combined maximum enrollment of 1.2 FTE including school district and institution of higher education enrollment consistent with the running start course requirements provided in Engrossed Second Substitute House Bill No. 1546 (dual credit education opportunities). In calculating the combined 1.2 FTE, the office of the superintendent of public instruction may average the participating student's September through June enrollment to account for differences in the start and end dates for courses provided by the high school and higher education institution. Additionally, the office of the superintendent of public instruction, in consultation with the state board for community and technical colleges, the student achievement council, and the education data center, shall annually track and report to the fiscal committees of the legislature on the combined FTE experience of students participating in the running start program, including course load analyses at both the high school and community and technical college system.

(21) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (12) of this section, the following apply:

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (12) of this section shall be reduced in increments of twenty percent per year.

(22)(a) The maximum allowable indirect cost school district for career and technical education programs funded through state and federal funds must not exceed the limitations provided under federal law for federal career and technical education funding provided to districts, or five percent, whichever is lower.

(b) Career and technical education program full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported career and technical education program enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—BASIC EDUCATION EMPLOYEE COMPENSATION**

**FOR THE 2017-18 SCHOOL YEAR**

(1) The following calculations determine the salaries used in the state allocations for certificated instructional, certificated administrative, and classified staff units as provided in RCW 28A.150.260 and under section 502 of this act:

(a) For the 2017-18 school year, salary allocations for certificated instructional staff units are determined for each district by multiplying the district's certificated instructional total base salary shown on LEAP Document 2 by the district's average staff mix factor for certificated instructional staff in that school year, computed using LEAP document 1; and

(b) For the 2017-18 school year, salary allocations for certificated administrative staff units and classified staff units for each district are determined based on the district's certificated administrative and classified salary allocation amounts shown on LEAP Document 2.

(2) For the purposes of this section:

(a) "LEAP Document 1" means the staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on March 17, 2017, at 17:15 hours; and

(b) "LEAP Document 2" means the school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on March 17, 2017, at 17:15 hours.

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

(4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedules for certificated instructional staff are established for basic education salary allocations:

|  |
| --- |
| **Table Of Total Base Salaries For Certificated Instructional Staff****For School Year 2017-18**\*\*\* Education Experience \*\*\* |
| **Years** |  |  |  |  |  |  |  |  | **MA+90** |
| **of** |  |  |  |  |  |  |  |  | **OR** |
| **Service** | **BA** | **BA+15** | **BA+30** | **BA+45** | **BA+90** | **BA+135** | **MA** | **MA+45** | **Ph.D.** |
| 0 | 35,884 | 36,853 | 37,857 | 38,864 | 42,093 | 44,173 | 43,022 | 46,251 | 48,333 |
| 1 | 36,367 | 37,350 | 38,366 | 39,417 | 42,680 | 44,749 | 43,500 | 46,763 | 48,831 |
| 2 | 36,827 | 37,819 | 38,847 | 39,979 | 43,232 | 45,323 | 43,982 | 47,235 | 49,325 |
| 3 | 37,301 | 38,303 | 39,342 | 40,509 | 43,757 | 45,897 | 44,438 | 47,683 | 49,825 |
| 4 | 37,766 | 38,812 | 39,857 | 41,065 | 44,332 | 46,488 | 44,916 | 48,183 | 50,340 |
| 5 | 38,247 | 39,298 | 40,353 | 41,628 | 44,883 | 47,082 | 45,403 | 48,658 | 50,858 |
| 6 | 38,741 | 39,768 | 40,860 | 42,199 | 45,437 | 47,649 | 45,901 | 49,140 | 51,350 |
| 7 | 39,608 | 40,652 | 41,757 | 43,169 | 46,456 | 48,728 | 46,835 | 50,120 | 52,394 |
| 8 | 40,879 | 41,979 | 43,110 | 44,639 | 47,970 | 50,326 | 48,303 | 51,636 | 53,990 |
| 9 |  | 43,353 | 44,541 | 46,125 | 49,534 | 51,969 | 49,788 | 53,199 | 55,635 |
| 10 |  |  | 45,988 | 47,687 | 51,141 | 53,658 | 51,351 | 54,807 | 57,323 |
| 11 |  |  |  | 49,294 | 52,824 | 55,391 | 52,959 | 56,490 | 59,056 |
| 12 |  |  |  | 50,850 | 54,552 | 57,196 | 54,630 | 58,217 | 60,862 |
| 13 |  |  |  |  | 56,322 | 59,045 | 56,359 | 59,987 | 62,709 |
| 14 |  |  |  |  | 58,101 | 60,963 | 58,140 | 61,882 | 64,629 |
| 15 |  |  |  |  | 59,613 | 62,549 | 59,651 | 63,491 | 66,309 |
| 16 or more |  |  |  |  | 60,804 | 63,800 | 60,844 | 64,761 | 67,635 |

(b) As used in this subsection, the column headings "BA+(N)" refer to the number of credits earned since receiving the baccalaureate degree.

(c) For credits earned after the baccalaureate degree but before the masters degree, any credits in excess of forty-five credits may be counted after the masters degree. Thus, as used in this subsection, the column headings "MA+(N)" refer to the total of:

(i) Credits earned since receiving the masters degree; and

(ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(5) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

(d) "Years of service" shall be calculated under the same rules adopted by the superintendent of public instruction.

(e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020 and 28A.415.023.

(6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in this part V, or any replacement schedules and documents, unless:

(a) The employee has a masters degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(7) The salary allocation schedules established in this section are for allocation purposes only except as provided in RCW 28A.400.200(2). Subsections (1) through (7) of this section only apply to the 2017-18 school year.

**FOR THE 2018-19 SCHOOL YEAR**

(8) For the 2018-19 school year, funding for compensation is a component part of the allocation of general apportionment funding to school districts as provided in section 502(14) of this act and sections 102(4)(a) and (5) of chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5607) and chapter . . ., Laws of 2017 (Substitute Senate Bill 5875).

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS**

General Fund—State Appropriation (FY 2018) $117,641,000

General Fund—State Appropriation (FY 2019) $29,558,000

TOTAL APPROPRIATION $147,199,000

**FOR THE 2017-18 SCHOOL YEAR**

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

(1) Funding in this section is sufficient to provide a salary increase of 2.3 percent effective September 1, 2017, for the 2017-18 school year.

(2)(a) Additional salary adjustments as necessary to fund the base salaries for certificated instructional staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.

(b) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for certificated administrative staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.

(c) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for classified staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.

(d) The appropriation in this subsection (2) includes associated incremental fringe benefit allocations at 22.85 percent for the 2017-18 school year for certificated instructional and certificated administrative staff and 21.10 percent for the 2017-18 school year for classified staff.

(e) The appropriation in this section include the increased or decreased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Changes for general apportionment (basic education) are based on the salary allocation schedules and methodology in sections 502(2) through (13) and 503 of this act. Changes for special education result from changes in each district's basic education allocation per student. Changes for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in sections 502 and 503 of this act.

(f) The appropriation in this section include no salary adjustments for substitute teachers.

(3) The maintenance rate for insurance benefit allocations is $780.00 per month for the 2017-18 school year. The appropriations in this section reflect the incremental change in cost of allocating rates of $780.00 per month for the 2017-18 school year.

(4) The rates specified in this section are subject to revision each year by the legislature.

(5) From July 1, 2018, to August 31, 2018, the superintendent shall allocate funding to school districts programs for employee compensation as provided in subsections (1) through (4) of this section.

**FOR THE 2018-19 SCHOOL YEAR**

(6) For the 2018-19 school year, funding for compensation is a component part of the allocation of general apportionment funding to school districts as provided in section 502(14) of this act and sections 102(4)(a) and (5) of chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5607).

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION**

General Fund—State Appropriation (FY 2018) $499,641,000

General Fund—State Appropriation (FY 2019) $143,877,000

TOTAL APPROPRIATION $643,518,000

**FOR THE 2017-18 SCHOOL YEAR**

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

(1)(a) For the 2017-18 school year, the superintendent shall allocate funding to school district programs for the transportation of eligible students as provided in RCW 28A.160.192. Funding in this section constitutes full implementation of RCW 28A.160.192, which enhancement is within the program of basic education. Students are considered eligible only if meeting the definitions provided in RCW 28A.160.160.

(b) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school district programs for the transportation of students as provided in section 505, chapter 4, Laws of 2015 3rd sp. sess., as amended.

(c) From July 1, 2018, to August 31, 2018, the superintendent shall allocate funding to school district programs for the transportation of students as provided in subsection (2) though (5) of this section.

(2) The office of the superintendent of public instruction shall provide reimbursement funding to a school district for school bus purchases only after the superintendent of public instruction determines that the school bus was purchased from the list established pursuant to RCW 28A.160.195(2) or a comparable competitive bid process based on the lowest price quote based on similar bus categories to those used to establish the list pursuant to RCW 28A.160.195.

(3) The superintendent of public instruction shall base depreciation payments for school district buses on the presales tax five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment shall be based on the lowest bid in the appropriate bus category for that school year.

(4) Funding levels in this section reflect waivers granted by the state board of education for four-day school weeks as allowed under RCW 28A.305.141.

(5) The office of the superintendent of public instruction shall disburse payments for bus depreciation in August 2018.

**FOR THE 2018-19 SCHOOL YEAR**

(6) For the 2018-19 school year, funding for pupil transportation is a component part of the allocation of general apportionment funding to school districts as provided in section 502(14) of this act and sections 102(4)(a) and (5) of chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5607) and chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5875).

**FOR THE 2017-18 AND 2018-19 SCHOOL YEARS**

(7) A maximum of $913,000 of the fiscal year 2018 appropriation and a maximum of $913,000 of the fiscal year 2019 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL FOOD SERVICE PROGRAMS**

General Fund—State Appropriation (FY 2018) $7,111,000

General Fund—State Appropriation (FY 2019) $7,111,000

General Fund—Federal Appropriation $537,178,000

TOTAL APPROPRIATION $551,400,000

The appropriations in this section are subject to the following conditions and limitations: $7,111,000 of the general fund—state appropriation for fiscal year 2018 and $7,111,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

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

(2) Assistance to school districts and authorized public and private nonprofit organizations for supporting summer food service programs, and initiating new summer food service programs in low-income areas;

(3) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced-price lunch, pursuant to chapter 287, Laws of 2005; and

(4) Assistance to school districts in initiating and expanding school breakfast programs.

The office of the superintendent of public instruction shall report annually to the fiscal committees of the legislature on annual expenditures in subsections (1), (2), and (3) of this section.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SPECIAL EDUCATION PROGRAMS**

General Fund—State Appropriation (FY 2018) $942,565,000

General Fund—State Appropriation (FY 2019) $1,089,154,000

General Fund—Federal Appropriation $470,673,000

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

TOTAL APPROPRIATION $2,557,086,000

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

(1)(a) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502(2) through (14) and 504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

(b) Funding provided within this section is sufficient for districts to provide school principals and lead special education teachers annual professional development on the best-practices for special education instruction and strategies for implementation. Districts shall annually provide a summary of professional development activities to the office of the superintendent of public instruction.

(2)(a) The superintendent of public instruction shall ensure that:

(i) Special education students are basic education students first;

(ii) As a class, special education students are entitled to the full basic education allocation; and

(iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

(3)(a) Each fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school district programs for special education students as provided in section 507, chapter 4, Laws of 2015 3rd sp. sess., as amended.

(c) From July 1, 2018, to August 31, 2018, the superintendent shall allocate funding to school districts programs for special education students as provided in subsections (1) through (4) and (6) and (7) of this section.

**FOR THE 2017-18 SCHOOL YEAR**

(4) For the 2017-18 school year, the superintendent shall allocate funding to school district programs for special education students as provided in RCW 28A.150.390, except that the calculation of the base allocation also includes allocations provided under section 502 (2) and (4) of this act, which enhancement is within the program of basic education.

**FOR THE 2018-19 SCHOOL YEAR**

(5) For the 2018-19 school year, the superintendent shall allocate funding to school districts programs for special education students as provided in RCW 28A.150.390 and section 102(4)(f), chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5607) and chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5875).

**FOR THE 2017-18 AND 2018-19 SCHOOL YEARS**

(6) The following applies throughout this section: The definitions for enrollment and enrollment percent are as specified in RCW 28A.150.390(3). Each district's general fund—state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 12.7 percent.

(7) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be calculated in accordance with RCW 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(8) $31,087,000 of the general fund—state appropriation for fiscal year 2018, $31,087,000 of the general fund—state appropriation for fiscal year 2019, and $31,024,000 of the general fund—federal appropriation are provided solely for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (4) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (8) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. At the conclusion of each school year, the superintendent shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible.

(a) For the 2017-18 and 2018-19 school years, safety net funds shall be awarded by the state safety net oversight committee as provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

(b) The office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year, except that the superintendent of public instruction shall make award determinations for state safety net funding in July of each school year for the Washington state school for the blind and for the center for childhood deafness and hearing loss. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

(9) A maximum of $931,000 may be expended from the general fund—state appropriations to fund 5.43 full-time equivalent teachers and 2.1 full-time equivalent aides at children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the special education program.

(10) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high-cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

(11) A school district may carry over from one year to the next year up to 10 percent of the general fund—state funds allocated under this program; however, carryover funds shall be expended in the special education program.

(12) $256,000 of the general fund—state appropriation for fiscal year 2018 and $256,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(13) $50,000 of the general fund—state appropriation for fiscal years 2018 and 2019, and $100,000 of the general fund—federal appropriation are provided solely for a special education family liaison position within the office of the superintendent of public instruction.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE DISTRICTS**

General Fund—State Appropriation (FY 2018) $8,485,000

General Fund—State Appropriation (FY 2019) $8,485,000

TOTAL APPROPRIATION $16,970,000

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) Funding within this section is provided for regional professional development related to mathematics and science curriculum and instructional strategies aligned with common core state standards and next generation science standards. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support.

(3) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.305.130, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT ASSISTANCE**

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

General Fund—State Appropriation (FY 2019) $215,881,000

TOTAL APPROPRIATION $665,689,000

The appropriations in this section are subject to the following conditions and limitations: For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 5.85 percent from the 2016-17 school year to the 2017-18 school year.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL EDUCATION PROGRAMS**

General Fund—State Appropriation (FY 2018) $13,521,000

General Fund—State Appropriation (FY 2019) $13,598,000

TOTAL APPROPRIATION $27,119,000

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

(1) Each general fund—state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) $701,000 of the general fund—state appropriation for fiscal year 2018 and $701,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, programs for juveniles under the juvenile rehabilitation administration, and programs for juveniles operated by city and county jails.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

General Fund—State Appropriation (FY 2018) $10,627,000

General Fund—State Appropriation (FY 2019) $22,000,000

TOTAL APPROPRIATION $32,627,000

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

(1)(a) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 4, Laws of 2015 3rd sp. sess., as amended.

(c) From July 1, 2018, to August 31, 2018, the superintendent shall allocate funding to school districts programs for highly capable students as provided in subsection (3)(a) of this section.

**FOR THE 2017-18 SCHOOL YEAR**

(2)(a) For the 2017-18 school year, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c). In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) The enhancements within this section are within the program of basic education.

**FOR THE 2018-19 SCHOOL YEAR**

(3) For the 2018-19 school year, funding for highly capable students shall be allocated as provided in section 102(4)(c), chapter. . ., Laws of 2017 (Substitute Senate Bill No. 5607) and chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5875).

**FOR THE 2017-18 AND 2018-19 SCHOOL YEARS**

(4) $85,000 of the general fund—state appropriation for fiscal year 2018 and $85,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the centrum program at Fort Worden state park.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR MISCELLANEOUS—EVERY STUDENT SUCCEEDS ACT**

General Fund—Federal Appropriation $4,802,000

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—EDUCATION REFORM PROGRAMS**

General Fund—State Appropriation (FY 2018) $132,735,000

General Fund—State Appropriation (FY 2019) $79,135,000

General Fund—Federal Appropriation $93,177,000

General Fund—Private/Local Appropriation $1,435,000

Education Legacy Trust Account—State Appropriation $1,611,000

TOTAL APPROPRIATION $308,093,000

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

(1) $29,724,000 of the general fund—state appropriation for fiscal year 2018, $28,765,000 of the general fund—state appropriation for fiscal year 2019, $1,350,000 of the education legacy trust account—state appropriation, and $15,868,000 of the general fund—federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (a) Development and implementation of retake assessments for high school students who are not successful in one or more content areas; and (b) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student assessment results, on or around June 10th of each year. State funding to districts shall be limited to one collection of evidence payment per student, per content-area assessment. The alternative assessment method that consists of an evaluation of a collection of student work samples under RCW 28A.655.065 (5) and (6) is intended to provide an alternative way for students to meet the state standards for high school graduation purposes. To ensure that students are learning the state standards, prior to the collection of work samples being submitted to the state for evaluation, a classroom teacher or other educator must review the collection of work to determine whether the sample is likely to meet the minimum required score to meet the state standard. Appropriations are reduced to reflect savings from implementation of Senate Bill No. 5891 (high school graduation/science test).

(2) $356,000 of the general fund—state appropriation for fiscal year 2018 and $356,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events.

(3) $3,935,000 of the general fund—state appropriation for fiscal year 2018 and $3,935,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of a new performance-based evaluation for certificated educators and other activities as provided in chapter 235, Laws of 2010 (education reform) and chapter 35, Laws of 2012 (certificated employee evaluations).

(4) $62,672,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the national board certified teachers bonuses earned in the 2016-17 school year as provided in section 513, chapter 4, Laws of 2015 3rd sp. sess., as amended.

(5) $477,000 of the general fund—state appropriation for fiscal year 2018 and $477,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(6) $950,000 of the general fund—state appropriation for fiscal year 2018 and $950,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs.

(7) $810,000 of the general fund—state appropriation for fiscal year 2018 and $810,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to operate a state-of-the-art education leadership academy that will be accessible throughout the state. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(8) $3,000,000 of the general fund—state appropriation for fiscal year 2018 and $3,000,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a statewide information technology (IT) academy program. This public-private partnership will provide educational software, as well as IT certification and software training opportunities for students and staff in public schools.

(9) $1,677,000 of the general fund—state appropriation for fiscal year 2018 and $1,677,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. If equally matched by private donations, $800,000 of the 2018 appropriation and $800,000 of the 2019 appropriation shall be used to support FIRST robotics programs. Of the amounts in this subsection, $100,000 of the fiscal year 2018 appropriation and $100,000 of the fiscal year 2019 appropriation are provided solely for the purpose of statewide supervision activities for career and technical education student leadership organizations.

(10) $125,000 of the general fund—state appropriation for fiscal year 2018 and $125,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of $2,500 to provide twenty middle and high school teachers each year with professional development training for implementing integrated math, science, technology, and engineering programs in their schools.

(11) $135,000 of the general fund—state appropriation for fiscal year 2018 and $135,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for science, technology, engineering and mathematics lighthouse projects, consistent with chapter 238, Laws of 2010.

(12) $5,500,000 of the general fund—state appropriation for fiscal year 2018 and $5,500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a beginning educator support program. The program shall prioritize first year teachers in the mentoring program. School districts and/or regional consortia may apply for grant funding. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together; and teacher observation time with accomplished peers. Funding may be used to provide statewide professional development opportunities for mentors and beginning educators.

(13) $250,000 of the general fund—state appropriation for fiscal year 2018 and $250,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for advanced project lead the way courses at ten high schools. To be eligible for funding in 2018, a high school must have offered a foundational project lead the way course during the 2016-17 school year. The 2018 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2017-18 school year. To be eligible for funding in 2019, a high school must have offered a foundational project lead the way course during the 2017-18 school year. The 2018 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2018-19 school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(14) $450,000 of the general fund—state appropriation for fiscal year 2018 and $450,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for annual start-up, expansion, or maintenance of existing programs in aerospace and advanced manufacturing programs. To be eligible for funding, the skills center and high schools must agree to engage in developing local business and industry partnerships for oversight and input regarding program components. Program instructors must also agree to participate in professional development leading to student employment, or certification in aerospace or advanced manufacturing industries as determined by the superintendent of public instruction. The office of the superintendent of public instruction and the education research and data center shall report annually student participation and long-term outcome data.

(15) $5,000,000 of the general fund—state appropriation for fiscal year 2018 and $5,000,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the provision of training for teachers in the performance-based teacher principal evaluation program.

(16) $9,352,000 of the general fund—state appropriation for fiscal year 2018 and $19,352,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 159, Laws of 2013 (Engrossed Second Substitute Senate Bill No. 5329) (persistently failing schools).

(17) $100,000 of the general fund—state appropriation for fiscal year 2018 and $100,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to promote the financial literacy of students. The effort will be coordinated through the financial literacy public-private partnership.

(18) $2,194,000 of the general fund—state appropriation for fiscal year 2018 and $2,194,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to implement chapter 18, Laws of 2013 2nd sp. sess. (Engrossed Substitute Senate Bill No. 5946) (strengthening student educational outcomes).

(19) $1,061,000 of the general fund—state appropriation for fiscal year 2018 and $1,061,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for chapter 184, Laws of 2013 (Second Substitute House Bill No. 1642) (academic acceleration).

(20) $36,000 of the general fund—state appropriation for fiscal year 2018 and $36,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for chapter 212, Laws of 2014 (Substitute Senate Bill No. 6074) (homeless student educational outcomes).

(21) $80,000 of the general fund—state appropriation for fiscal year 2018 and $40,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for chapter 219, Laws of 2014 (Second Substitute Senate Bill No. 6163) (expanded learning).

(22) $10,000 of the general fund—state appropriation for fiscal year 2018 and $10,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for chapter 102, Laws of 2014 (Senate Bill No. 6424) (biliteracy seal).

(23) $500,000 of the general fund—state appropriation for fiscal year 2018 and $500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the office of the superintendent of public instruction to contract with a nonprofit organization to integrate the state learning standards in English language arts, mathematics, and science with FieldSTEM outdoor field studies and project-based and work-based learning opportunities aligned with the environmental, natural resource, and agricultural sectors.

(24) Within the amounts provided in this section, the superintendent of public instruction shall obtain an existing student assessment inventory tool that is free and openly licensed and distribute the tool to every school district. Each school district shall use the student assessment inventory tool to identify all state-level and district-level assessments that are required of students. The state-required assessments should include: Reading proficiency assessments used for compliance with RCW 28A.320.202; the required statewide assessments under chapter 28A.655 RCW in grades three through eight and at the high school level in English language arts, mathematics, and science, as well as the practice and training tests used to prepare for them; and the high school end-of-course exams in mathematics under RCW 28A.655.066. District-required assessments should include: The second grade reading assessment used to comply with RCW 28A.300.320; interim smarter balanced assessments, if required; the measures of academic progress assessment, if required; and other required interim, benchmark, or summative standardized assessments, including assessments used in social studies, the arts, health, and physical education in accordance with RCW 28A.230.095, and for educational technology in accordance with RCW 28A.655.075. The assessments identified should not include assessments used to determine eligibility for any categorical program including the transitional bilingual instruction program, learning assistance program, highly capable program, special education program, or any formative or diagnostic assessments used solely to inform teacher instructional practices, other than those already identified. By October 15th of each year, each district shall report to the superintendent the amount of student time in the previous school year that is spent taking each assessment identified. By December 15th of each year, the superintendent shall summarize the information reported by the school districts and report to the education committees of the house of representatives and the senate.

(25) $3,000,000 of the general fund—state appropriation for fiscal year 2018 and $3,000,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Senate Bill No. 5853 (career and technical education). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL BILINGUAL PROGRAMS**

General Fund—State Appropriation (FY 2018) $136,642,000

General Fund—State Appropriation (FY 2019) $155,740,000

General Fund—Federal Appropriation $92,244,000

TOTAL APPROPRIATION $384,626,000

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

(1)(a) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in section 514, chapter 4, Laws of 2015, 3rd sp. sess., as amended.

(c) From July 1, 2018, to August 31, 2018, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in subsection (2) of this section.

**FOR THE 2017-18 SCHOOL YEAR**

(2) For the 2017-18 school year, the superintendent shall allocate funding to school districts for transitional bilingual programs under RCW 28A.180.010 through 28A.180.080, including programs for exited students, as provided in RCW 28A.150.260(10)(b) and the provisions of this section. In calculating the allocations, the superintendent shall assume the following averages: (i) Additional instruction of 4.7780 hours per week per transitional bilingual program student in grades kindergarten through twelve in school year 2017-18; (ii) additional instruction of 3.0000 hours per week in school year 2017-18 for the head count number of students who have exited the transitional bilingual instruction program within the previous two years based on their performance on the English proficiency assessment; (iii) fifteen transitional bilingual program students per teacher; (iv) 36 instructional weeks per year; (v) 900 instructional hours per teacher; and (vi) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act. Pursuant to RCW 28A.180.040(1)(g), the instructional hours specified in (a)(ii) of this subsection (2) are within the program of basic education.

**FOR THE 2018-19 SCHOOL YEAR**

(3) For the 2018-19 school year, the superintendent shall allocate funding to school districts for transitional bilingual programs as provided in section 102(4)(b), chapter. . ., Laws of 2017 (Substitute Senate Bill No. 5607) and chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5875).

**FOR THE 2017-18 AND 2018-19 SCHOOL YEARS**

(4) The superintendent may withhold allocations to school districts in subsections (2) and (3) of this section solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2) up to the following amounts: 2.81 percent for school year 2017-18 and 2.55 percent for school year 2018-19.

(5) The general fund—federal appropriation in this section is for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.

(6) $35,000 of the general fund—state appropriation for fiscal year 2018 and $35,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to track current and former transitional bilingual program students.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING ASSISTANCE PROGRAM**

General Fund—State Appropriation (FY 2018) $236,487,000

General Fund—State Appropriation (FY 2019) $299,399,000

General Fund—Federal Appropriation $505,487,000

TOTAL APPROPRIATION $1,041,373,000

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

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

(a) The appropriations include such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 4, Laws of 2015, 3rd sp. sess., as amended.

(c) From July 1, 2018, to August 31, 2018, the superintendent shall allocate funding to school districts for the learning assistance program as provided in subsections (2) through (4) of this section.

**FOR THE 2017-18 SCHOOL YEAR**

(2) For the 2017-18 school year, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a), except that the allocation for the additional instructional hours shall be enhanced as provided in this section, which enhancements are within the program of the basic education. In calculating the allocations, the superintendent shall assume the following averages: (A) Additional instruction of 2.3975 hours per week per funded learning assistance program student for the 2017-18 school year; (B) fifteen learning assistance program students per teacher; (C) 36 instructional weeks per year; (D) 900 instructional hours per teacher; and (E) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(3) For the 2017-18 school year, a school district's funded students under subsection (1) of this section for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced-price lunch in the prior school year. The prior school year's October headcount enrollment for free and reduced-price lunch shall be as reported in the comprehensive education data and research system.

(4) For the 2017-18 school year, allocations made pursuant to subsections (1) through (3) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February 2010.

**FOR THE 2018-19 SCHOOL YEAR**

(5) For the 2018-19 school year, the superintendent shall allocate funding to school districts for the learning assistance program as provided in section 102(4)(d), chapter. . ., Laws of 2017 (Substitute Senate Bill No. 5607) and chapter . . ., Laws of 2017 (Substitute Senate Bill No. 5875). A school district's funded students under this subsection (5) for the learning assistance program is based on the most recent estimates of poverty rates within school districts for children ages five to seventeen under the United States census bureau's small area and poverty estimates program.

**FOR THE 2017-18 AND 2018-19 SCHOOL YEARS**

(6) The general fund—federal appropriation in this section is provided for Title I Part A allocations of the every student succeeds act of 2016.

(7) A school district may carry over from one year to the next up to 10 percent of the general fund—state funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

(1) Amounts distributed to districts by the superintendent through part V of this act are for allocations purposes only, unless specified by part V of this act, and do not entitle a particular district, district employee, or student to a specific service, beyond what has been expressly provided in statute. Part V of this act restates the requirements of various sections of Title 28A RCW. If any conflict exists, the provisions of Title 28A RCW control unless this act explicitly states that it is providing an enhancement. Any amounts provided in part V of this act in excess of the amounts required by Title 28A RCW provided in statute, are not within the program of basic education unless clearly stated by this act.

(2) To the maximum extent practicable, when adopting new or revised rules or policies relating to the administration of allocations in part V of this act that result in fiscal impact, the office of the superintendent of public instruction shall attempt to seek legislative approval through the budget request process.

(3) Appropriations made in this act to the office of the superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act.

(4) As required by RCW 28A.710.110, the office of the superintendent of public instruction shall transmit the charter school authorizer oversight fee for the charter school commission to the charter school oversight account.

(5) Washington opportunity pathways account—state appropriations distributed through Part V of this act for the operation and administration of charter schools as provided in chapter 28A.710 RCW shall not include state common school levy revenues collected under RCW 84.52.065.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR CHARTER SCHOOLS**

Washington Opportunity Pathways Account—State

Appropriation $65,672,000

The appropriation in this section is subject to the following conditions and limitations: The superintendent shall distribute funding appropriated in this section to charter schools under chapter 28A.710 RCW. Within amounts provided in this section the superintendent shall distribute funding for safety net awards for charter schools with demonstrated needs for special education funding beyond the amounts provided under chapter 28A.710 RCW.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE WASHINGTON STATE CHARTER SCHOOL COMMISSION**

WA Opportunity Pathways Account—State Appropriation $798,000

Charter Schools Oversight Account—State Appropriation $2,101,000

TOTAL APPROPRIATION $2,899,000

The appropriations in this section are subject to the following conditions and limitations: The entire Washington opportunity pathways account—state appropriation in this section is provided to the superintendent of public instruction solely for the operations of the Washington state charter school commission under chapter 28A.710 RCW.

**PART VI**

**HIGHER EDUCATION**

NEW SECTION. **Sec.**  The appropriations in sections 605 through 611 of this act are subject to the following conditions and limitations:

(1) "Institutions" means the institutions of higher education receiving appropriations under sections 605 through 611 of this act.

(2) The legislature, the office of financial management, and other state agencies need consistent and accurate personnel data from institutions of higher education for policy planning purposes. Institutions of higher education shall report personnel data to the office of financial management for inclusion in the agency's data warehouse. Uniform reporting procedures shall be established by the office of financial management's office of the state human resources director for use by the reporting institutions, including provisions for common job classifications and common definitions of full-time equivalent staff. Annual contract amounts, number of contract months, and funding sources shall be consistently reported for employees under contract.

(3) In addition to waivers granted under the authority of RCW 28B.15.910, the governing boards and the state board may waive all or a portion of operating fees for any student. State general fund appropriations shall not be provided to replace tuition and fee revenue foregone as a result of waivers granted under this subsection.

(4)(a) For institutions receiving appropriations in section 605 of this act, the only allowable salary increases provided are those with normally occurring promotions and increases related to faculty and staff retention, except as provided in Part IX of this act. In fiscal year 2018 and fiscal year 2019, the state board for community and technical colleges may use salary and benefit savings from faculty turnover to provide salary increments and associated benefits for faculty who qualify through professional development and training.

(b) For each institution of higher education receiving appropriations under sections 606 through 611 of this act:

(i) The only allowable salary increases are those associated with normally occurring promotions and increases related to faculty and staff retention and as provided in Part IX of this act; and

(ii) Institutions may provide salary increases from other sources to instructional and research faculty at the universities and The Evergreen State College, exempt professional staff, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under chapter 41.80 RCW. Any salary increase granted under the authority of this subsection (4)(b)(ii) shall not be included in an institution's salary base for future state funding. It is the intent of the legislature that state general fund support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (4)(b)(ii).

NEW SECTION. **Sec.**  (1) Within the amounts appropriated in this act, each institution of higher education shall seek to:

(a) Maintain and to the extent possible increase enrollment opportunities at branch campuses;

(b) Maintain and to the extent possible increase enrollment opportunities at university centers and other partnership programs that enable students to earn baccalaureate degrees on community college campuses; and

(c) Eliminate and consolidate programs of study for which there is limited student or employer demand, or that are not areas of core academic strength for the institution, particularly when such programs duplicate offerings by other in-state institutions.

(3) For purposes of monitoring and reporting statewide enrollment, the University of Washington and Washington State University shall notify the office of financial management of the number of full-time student equivalent enrollments for each of their campuses.

NEW SECTION. **Sec.**  **PUBLIC BACCALAUREATE INSTITUTIONS**

(1) The state universities, the regional universities, and The Evergreen State College must accept the transfer of college-level courses taken by students under RCW 28A.600.290 or 28A.600.300 if a student seeking a transfer of the college-level courses has been admitted to the state university, the regional university, or The Evergreen State College, and if the college-level courses are recognized as transferrable by the admitting institution of higher education.

(2) Appropriations in section 737 of this act are sufficient general wage increases as described in section 737 at institutions of higher education. The institutions may also use these funds for any other purpose including increasing compensation and implementing other collective bargaining agreements.

NEW SECTION. **Sec.**  **STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

Appropriations in section 737 of this act are sufficient to fund general wage increases as described in section 737 of this act at institutions of higher education. The institutions may also use these funds for any other purpose including increasing compensation.

NEW SECTION. **Sec.**  **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

General Fund—State Appropriation (FY 2018) $642,785,000

General Fund—State Appropriation (FY 2019) $302,634,000

Community/Technical College Capital Projects

Account—State Appropriation $23,841,000

Education Legacy Trust Account—State Appropriation $449,532,000

TOTAL APPROPRIATION $1,418,792,000

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

(1) $33,261,000 of the general fund—state appropriation for fiscal year 2018 and $33,261,000 of the general fund—state appropriation for fiscal year 2019 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 7,170 full-time equivalent students in fiscal year 2018 and at least 7,170 full-time equivalent students in fiscal year 2019.

(2) $5,450,000 of the education legacy trust account—state appropriation is provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) $425,000 of the general fund—state appropriation for fiscal year 2018 and $425,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for Seattle central college's expansion of allied health programs.

(4) $5,250,000 of the general fund—state appropriation for fiscal year 2018 and $5,250,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the student achievement initiative.

(5) $860,000 of the general fund—state appropriation for fiscal year 2018, and $860,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the expansion of the mathematics, engineering, and science achievement program. The state board shall report back to the appropriate committees of the legislature on the number of campuses and students served by December 31, 2018.

(6) $1,500,000 of the general fund—state appropriation for fiscal year 2018 and $1,500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for operating a fabrication composite wing incumbent worker training program to be housed at the Washington aerospace training and research center.

(7) $100,000 of the general fund—state appropriation for fiscal year 2018 and $100,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the aerospace center of excellence currently hosted by Everett community college to:

(a) Increase statewide communications and outreach between industry sectors, industry organizations, businesses, K-12 schools, colleges, and universities;

(b) Enhance information technology to increase business and student accessibility and use of the center's web site; and

(c) Act as the information entry point for prospective students and job seekers regarding education, training, and employment in the industry.

(8) $18,588,000 of the general fund—state appropriation for fiscal year 2018 and $18,960,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(9) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct individuals to online information and other ways of acquiring print catalogs.

(10) The state board for community and technical colleges shall not use funds appropriated in this section to support intercollegiate athletics programs.

(11) $157,000 of the general fund—state appropriation for fiscal year 2018 and $157,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for Wenatchee Valley college to develop a wildfire prevention program.

(12) Within funds appropriated in this section, teacher preparation programs shall meet the requirements of RCW 28B.10.710 to incorporate information on the culture, history, and government of American Indian people in this state by integrating the curriculum developed and made available free of charge by the office of the superintendent of public instruction into existing programs or courses and may modify that curriculum in order to incorporate elements that have a regionally specific focus.

(13) $100,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for implementation of Substitute Senate Bill No. 5022 (education loan information). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(14) $185,000 of the general fund—state appropriation for fiscal year 2018 and $185,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Substitute Senate Bill No. 5100 (financial literacy seminars). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(15)(a) The state board must provide quality assurance reports on the ctcLink project at the frequency directed by the office of chief information officer for review and for posting on its information technology project dashboard.

(b) The state board must develop a technology budget using a method similar to the state capital budget, identifying project costs, funding sources, and anticipated deliverables through each stage of the investment and across fiscal periods and biennia from project initiation to implementation. The budget must be updated at the frequency directed by the office of chief information officer for review and for posting on its information technology project dashboard.

(c) The office of the chief information officer may suspend the ctcLink project at any time if the office of the chief information officer determines that the project is not meeting or is not expected to meet anticipated performance measures, implementation timelines, or budget estimates. Once suspension or termination occurs, the state board shall not make additional expenditures on the ctcLink project without approval of the chief information officer. The ctcLink project funded through the community and technical college innovation account created in RCW 28B.50.515 is subject to the conditions, limitations, and review provided in section 724 of this act.

(16) $150,000 of the general fund—state appropriation for fiscal year 2018 and $150,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the aerospace center of excellence hosted by Everett Community College to develop an unmanned aircraft system program in Sunnyside.

(17) $150,000 of the general fund—state appropriation for fiscal year 2018 and $150,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for program delivery through Green River College to the Convington area and southeast King county in response to the education needs assessment conducted by the student achievement council in the 2015-2017 fiscal biennium.

NEW SECTION. **Sec.**  **FOR THE UNIVERSITY OF WASHINGTON**

General Fund—State Appropriation (FY 2018) $330,091,000

General Fund—State Appropriation (FY 2019) $336,208,000

General Fund—Private/Local Appropriation $114,000

Aquatic Lands Enhancement Account—State Appropriation $1,350,000

Education Legacy Trust Account—State Appropriation $30,002,000

Economic Development Strategic Reserve Account—State

Appropriation $3,014,000

Biotoxin Account—State Appropriation $595,000

Dedicated Marijuana Account—State Appropriation

 (FY 2018) $247,000

Dedicated Marijuana Account—State Appropriation

 (FY 2019) $247,000

Accident Account—State Appropriation $7,197,000

Medical Aid Account—State Appropriation $562,000

University of Washington Building Account—State

Appropriation $1,052,000

TOTAL APPROPRIATION $710,679,000

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

(1) $52,000 of the general fund—state appropriation for fiscal year 2018 and $52,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the center for international trade in forest products in the college of forest resources.

(2) $38,581,000 of the general fund—state appropriation for fiscal year 2018 and $39,353,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(3) $200,000 of the general fund—state appropriation for fiscal year 2018 and $200,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for labor archives of Washington. The university shall work in collaboration with the state board for community and technical colleges.

(4) $8,000,000 of the education legacy trust account—state appropriation is provided solely for the family medicine residency network at the university to expand the number of residency slots available in Washington.

(5) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(6) $1,350,000 of the aquatic lands enhancement account—state is provided solely for ocean acidification monitoring, forecasting, and research and for operation of the Washington ocean acidification center. By September 1, 2017, the center must provide a biennial work plan and begin quarterly progress reports to the Washington marine resources advisory council created under RCW 43.06.338.

(7) $8,000,000 of the education legacy trust account—state appropriation is provided solely for the expansion of degrees in the department of computer science and engineering at the Seattle campus.

(8) $3,000,000 of the economic development strategic reserve account appropriation is provided solely to support the joint center for aerospace innovation technology.

(9) The University of Washington shall not use funds appropriated in this section to support intercollegiate athletics programs.

(10) $250,000 of the general fund—state appropriation for fiscal year 2018 and $250,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the Latino health center.

(11) $200,000 of the general fund—state appropriation for fiscal year 2018 and $200,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the climate impacts group in the college of the environment.

(12) $10,900,000 of the general fund—state appropriation for fiscal year 2018 and $9,900,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the continued operations and expansion of the Washington, Wyoming, Alaska, Montana, Idaho medical school program.

(13) $3,200,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the university to host the Special Olympics USA Games in July 2018.

(14) Within funds appropriated in this section, teacher preparation programs shall meet the requirements of RCW 28B.10.710 to incorporate information on the culture, history, and government of American Indian people in this state by integrating the curriculum developed and made available free of charge by the office of the superintendent of public instruction into existing programs or courses and may modify that curriculum in order to incorporate elements that have a regionally specific focus.

(15) Within the funds appropriated in this section, the University of Washington shall:

(a) Review the scholarly literature on the short-term and long-term effects of marijuana use to assess if other states or private entities are conducting marijuana research in areas that may be useful to the state.

(b) Provide as part of its budget request for the 2019-2021 biennium:

(i) A list of intended state, federal, and privately funded marijuana research, including cost, duration, and scope; and

(ii) Plans for partnerships with other universities, state agencies, or private entities, including entities outside the state, for purposes related to researching short-term and long-term effects of marijuana use.

(16) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5022 (education loan information).

(17) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5100 (financial literacy seminars).

(18) $56,000 of the general fund—state appropriation for fiscal year 2018 and $56,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Senate Bill No. 5525 (veterans' mental health services). The university shall use revenue from student health services fees, as defined in RCW 28B.15.041, that are deposited in local accounts located outside of the state treasury to fund the remainder of costs to implement the bill. If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(19) $3,000,000 of the general fund—state appropriation for fiscal year 2018 and $3,000,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the institute for stem cell and regenerative medicine.

(20) $3,456,000 of the general fund—state appropriation for fiscal year 2018 and $7,074,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the university to increase full-time equivalent state-supported resident undergraduate enrollment by 250 students in the 2017-18 academic year and 500 students in the 2018-19 academic year. If Senate Bill No. 5902 is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(a) The university shall fill seventy percent of the additional resident undergraduate enrollment with students majoring in science, technology, engineering, and mathematics.

(b) If the university is unable to fill the additional resident undergraduate enrollment in the 2017-18 academic year, the amount provided in this subsection for fiscal year 2018 shall lapse. For the purpose of determining if funding provided in this subsection for fiscal year 2018 shall be lapsed, the university shall report to the office of financial management and the legislative fiscal committees, by September 1, 2018, on the number of additional resident undergraduate students enrolled in the 2017-18 academic year with the funding provided in this subsection for fiscal year 2018.

(c) Within funds appropriated in this section, the university shall establish a pre-law program in Tacoma.

(21) Within the funds appropriated in this section, the university shall spend $200,000 in fiscal year 2018 and $200,000 in fiscal year 2019 to establish a pre-law program in Tacoma, created in preparation for the law school.

(22) $45,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the university to conduct research and analysis of military officers who are attending or have completed the command and general staff college, intermediate level education, or advanced operations course as part of their military education. The purpose of the research and analysis is to examine possible graduate level degree programs to be offered in partnership with the university and the U.S. army's command and general staff college. The research and analysis shall include stakeholder meetings with the U.S. army's command and general staff college. The university shall submit a report to the appropriate legislative higher education committees and the joint committee on veterans and military affairs by December 31, 2018. The report shall include the results of the research and analysis and plans for possible next steps with other service schools for field grade officers.

NEW SECTION. **Sec.**  **FOR WASHINGTON STATE UNIVERSITY**

General Fund—State Appropriation (FY 2018) $211,346,000

General Fund—State Appropriation (FY 2019) $218,854,000

General Fund—Private/Local Appropriation $96,000

Education Legacy Trust Account—State Appropriation $33,995,000

Dedicated Marijuana Account—State Appropriation

(FY 2018) $138,000

Dedicated Marijuana Account—State Appropriation

(FY 2019) $138,000

Washington State University Building Account—State

Appropriation $792,000

TOTAL APPROPRIATION $465,359,000

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

(1) $90,000 of the general fund—state appropriation for fiscal year 2018 and $90,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a rural economic development and outreach coordinator.

(2) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(3) $630,000 of the general fund—state appropriation for fiscal 2018 and $630,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the creation of an electrical engineering program located in Bremerton. At full implementation, the university is expected to increase degree production by 25 new bachelor's degrees per year. The university must identify these students separately when providing data to the education research data center as required in subsection (2) of this section.

(4) $1,370,000 of the general fund—state appropriation for fiscal year 2018 and $1,370,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the creation of software engineering and data analytic programs at the university center in Everett. At full implementation, the university is expected to enroll 50 students per academic year. The university must identify these students separately when providing data to the education research data center as required in subsection (2) of this section.

(5) $500,000 of the general fund—state appropriation for fiscal year 2018 and $500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for state match requirements related to the federal aviation administration grant.

(6) Washington State University shall not use funds appropriated in this section to support intercollegiate athletic programs.

(7) Within the funds appropriated in this section, Washington State University is required to provide administrative support to the sustainable aviation biofuels work group authorized under RCW 28B.30.904.

(8) $135,000 of the general fund—state appropriation for fiscal year 2018 and $135,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a honey bee biology research position.

(9) $580,000 of the general fund—state appropriation for fiscal year 2018 and $580,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the development of an organic agriculture systems degree program located at the university center in Everett.

(10) $27,425,000 of the general fund—state appropriation for fiscal year 2018 and $27,973,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(11) Within funds appropriated in this section, teacher preparation programs shall meet the requirements of RCW 28B.10.710 to incorporate information on the culture, history, and government of American Indian people in this state by integrating the curriculum developed and made available free of charge by the office of the superintendent of public instruction into existing programs or courses and may modify that curriculum in order to incorporate elements that have a regionally specific focus.

(12) Within the funds appropriated in this section, Washington State University shall:

(a) Review the scholarly literature on the short-term and long-term effects of marijuana use to assess if other states or private entities are conducting marijuana research in areas that may be useful to the state.

(b) Provide as part of its budget request for the 2019-2021 fiscal biennium:

(i) A list of intended state, federal, and privately funded marijuana research, including cost, duration, and scope;

(ii) Plans for partnerships with other universities, state agencies, or private entities, including entities outside the state, for purposes related to researching short-term and long-term effects of marijuana use.

(13) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5022 (education loan information).

(14) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5100 (financial literacy seminars).

(15) $48,000 of the general fund—state appropriation for fiscal year 2018 and $48,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Senate Bill No. 5525 (veterans' mental health services). The university shall use revenue from student health services fees, as defined in RCW 28B.15.041, that are deposited in local accounts located outside of the state treasury to fund the remainder of costs to implement the bill. If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(16) $760,000 of the general fund—state appropriation for fiscal year 2018 and $760,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Second Substitute Senate Bill No. 5474 (elk hoof disease). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(17) $2,374,000 of the general fund—state appropriation for fiscal year 2018 and $4,861,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the university to increase full-time equivalent state-supported resident undergraduate enrollment by 250 students in the 2017-18 academic year and 500 students in the 2018-19 academic year. If Senate Bill No. 5902 is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(a) The university shall fill seventy percent of the additional resident undergraduate enrollment with students majoring in science, technology, engineering, and mathematics.

(b) If the university is unable to fill the additional resident undergraduate enrollment in the 2017-18 academic year, the amount provided in this subsection for fiscal year 2018 shall lapse. For the purpose of determining if funding provided in this subsection for fiscal year 2018 shall be lapsed, the university shall report to the office of financial management and the legislative fiscal committees, by September 1, 2018, on the number of additional resident undergraduate students enrolled in the 2017-18 academic year with the funding provided in this subsection for fiscal year 2018.

(c) $3,000,000 of the general fund—state appropriation for fiscal year 2018 and $7,000,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the continued development and operations of a medical school program in Spokane.

NEW SECTION. **Sec.**  **FOR EASTERN WASHINGTON UNIVERSITY**

General Fund—State Appropriation (FY 2018) $48,853,000

General Fund—State Appropriation (FY 2019) $49,818,000

General Fund—Private/Local Appropriation $104,000

Education Legacy Trust Account—State Appropriation $16,598,000

TOTAL APPROPRIATION $115,373,000

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

(1) At least $200,000 of the general fund—state appropriation for fiscal year 2018 and at least $200,000 of the general fund—state appropriation for fiscal year 2019 must be expended on the Northwest autism center.

(2) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(3) Eastern Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

(4) $750,000 of the general fund—state appropriation for fiscal year 2018 and $750,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for programs or initiatives designed to improve student academic success and increase degree completion.

(5) $9,851,000 of the general fund—state appropriation for fiscal year 2018 and $10,048,000 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.

(6) Within funds appropriated in this section, teacher preparation programs shall meet the requirements of RCW 28B.10.710 to incorporate information on the culture, history, and government of American Indian people in this state by integrating the curriculum developed and made available free of charge by the office of the superintendent of public instruction into existing programs or courses and may modify that curriculum in order to incorporate elements that have a regionally specific focus.

(7) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5022 (education loan information).

(8) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5100 (financial literacy seminars).

(9) $52,000 of the general fund—state appropriation for fiscal year 2018 and $52,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Senate Bill No. 5525 (veterans' mental health services). The university shall use revenue from student health services fees, as defined in RCW 28B.15.041, that are deposited in local accounts located outside of the state treasury to fund the remainder of costs to implement the bill. If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(10) $790,000 of the general fund—state appropriation for fiscal year 2018 and $1,617,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the university to increase full-time equivalent state-supported resident undergraduate enrollment by 100 students in the 2017-18 academic year and 200 students in the 2018-19 academic year. If Senate Bill No. 5902 is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(a) The university shall fill seventy percent of the additional resident undergraduate enrollment with students majoring in science, technology, engineering, and mathematics.

(b) If the university is unable to fill the additional resident undergraduate enrollment in the 2017-18 academic year, the amount provided in this subsection for fiscal year 2018 shall lapse. For the purpose of determining if funding provided in this subsection for fiscal year 2018 shall be lapsed, the university shall report to the office of financial management and the legislative fiscal committees, by September 1, 2018, on the number of additional resident undergraduate students enrolled in the 2017-18 academic year with the funding provided in this subsection for fiscal year 2018.

NEW SECTION. **Sec.**  **FOR CENTRAL WASHINGTON UNIVERSITY**

General Fund—State Appropriation (FY 2018) $48,406,000

General Fund—State Appropriation (FY 2019) $49,415,000

General Fund—Private/Local Appropriation $96,000

Education Legacy Trust Account—State Appropriation $19,076,000

Central Washington University Capital Projects

Account—State Appropriation $76,000

TOTAL APPROPRIATION $117,069,000

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) $750,000 of the general fund—state appropriation for fiscal year 2018 and $750,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for programs or initiatives designed to improve student academic success and increase degree completion.

(4) $11,104,000 of the general fund—state appropriation for fiscal year 2018 and $11,326,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(5) Within funds appropriated in this section, teacher preparation programs shall meet the requirements of RCW 28B.10.710 to incorporate information on the culture, history, and government of American Indian people in this state by integrating the curriculum developed and made available free of charge by the office of the superintendent of public instruction into existing programs or courses and may modify that curriculum in order to incorporate elements that have a regionally specific focus.

(6) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5022 (education loan information).

(7) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5100 (financial literacy seminars).

(8) $48,000 of the general fund—state appropriation for fiscal year 2018 and $48,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Senate Bill No. 5525 (veterans' mental health services). The university shall use revenue from student health services fees, as defined in RCW 28B.15.041, that are deposited in local accounts located outside of the state treasury to fund the remainder of costs to implement the bill. If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(9) $742,000 of the general fund—state appropriation for fiscal year 2018 and $1,518,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the university to increase full-time equivalent state-supported resident undergraduate enrollment by 100 students in the 2017-18 academic year and 200 students in the 2018-19 academic year. If Senate Bill No. 5902 is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(a) The university shall fill seventy percent of the additional resident undergraduate enrollment with students majoring in science, technology, engineering, and mathematics.

(b) If the university is unable to fill the additional resident undergraduate enrollment in the 2017-18 academic year, the amount provided in this subsection for fiscal year 2018 shall lapse. For the purpose of determining if funding provided in this subsection for fiscal year 2018 shall be lapsed, the university shall report to the office of financial management and the legislative fiscal committees, by September 1, 2018, on the number of additional resident undergraduate students enrolled in the 2017-18 academic year with the funding provided in this subsection for fiscal year 2018.

NEW SECTION. **Sec.**  **FOR THE EVERGREEN STATE COLLEGE**

General Fund—State Appropriation (FY 2018) $26,754,000

General Fund—State Appropriation (FY 2019) $27,218,000

General Fund—Private/Local Appropriation $88,000

Education Legacy Trust Account—State Appropriation $5,450,000

The Evergreen State College Capital Projects

Account—State Appropriation $80,000

TOTAL APPROPRIATION $59,590,000

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

(1) $3,377,000 of the general fund—state appropriation for fiscal year 2018 and $3,445,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(2) $750,000 of the general fund—state appropriation for fiscal year 2018 and $750,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for programs or initiatives designed to improve student academic success and increase degree completion.

(3) Funding provided in this section is sufficient for The Evergreen State College to continue operations of the Longhouse Center and the Northwest Indian applied research institute.

(4) Notwithstanding other provisions in this section, the board of directors for the Washington state institute for public policy may adjust due dates for projects included on the institute's 2017-19 work plan as necessary to efficiently manage workload.

(5) The Evergreen State College shall not use funds appropriated in this section to support intercollegiate athletics programs.

(6) Within funds appropriated in this section, teacher preparation programs shall meet the requirements of RCW 28B.10.710 to incorporate information on the culture, history, and government of American Indian people in this state by integrating the curriculum developed and made available free of charge by the office of the superintendent of public instruction into existing programs or courses and may modify that curriculum in order to incorporate elements that have a regionally specific focus.

(7) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5022 (education loan information).

(8) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5100 (financial literacy seminars).

(9) $43,000 of the general fund—state appropriation for fiscal year 2018 and $44,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Senate Bill No. 5525 (veterans' mental health services). The university shall use revenue from student health services fees, as defined in RCW 28B.15.041, that are deposited in local accounts located outside of the state treasury to fund the remainder of costs to implement the bill. If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(10) $200,000 of the general fund—state appropriation for fiscal year 2018 and $49,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Substitute Senate Bill No. 5443 (dynamic fiscal notes). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(11) $17,000 of the general fund—state appropriation for fiscal year 2018 and $34,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 29, Laws of 2016, sp.s. (mental health chemical dependency).

(12) $122,000 of the general fund—state appropriation for fiscal year 2018 and $40,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 244, Laws of 2015 (college bound).

(13) $1,000 of the general fund—state appropriation for fiscal year 2018 and $1,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 7, Laws of 2015, 3rd sp.s. (early start act).

(14) $889,000 of the general fund—state appropriation for fiscal year 2018 and $1,819,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the college to increase full-time equivalent state-supported resident undergraduate enrollment by 100 students in the 2017-18 academic year and 200 students in the 2018-19 academic year. If Senate Bill No. 5902 is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(a) The college shall fill seventy percent of the additional resident undergraduate enrollment with students majoring in science, technology, engineering, and mathematics.

(b) If the college is unable to fill the additional resident undergraduate enrollment in the 2017-18 academic year, the amount provided in this subsection for fiscal year 2018 shall lapse. For the purpose of determining if funding provided in this subsection for fiscal year 2018 shall be lapsed, the college shall report to the office of financial management and the legislative fiscal committees, by September 1, 2018, on the number of additional resident undergraduate students enrolled in the 2017-18 academic year with the funding provided in this subsection for fiscal year 2018.

(15) $35,000 of the general fund—state appropriation for fiscal year 2018 and $70,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Substitute Senate Bill No. 5890 (foster care and adoption). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(16) $250,000 of the general fund—state appropriation for fiscal year 2018 and $250,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the Washington state institute for public policy to evaluate the impact of changes within the adult behavioral health system. The institute shall assess the effects on the state hospital system and behavioral health clients, in alignment with other legislative reporting. The goal for the effort is to provide policymakers with additional information to aid in decision making on an ongoing basis. Therefore, the institute shall:

(a) Create a framework for assessing the effectiveness of investments both in the whole and in specific program investments;

(b) Determine baseline data measures for analysis; and

(c) Consult with the relevant legislative and agency staff to prioritize research questions and evaluation activities.

The institute shall provide a report to the governor and the appropriate committees of the legislature each year no later than November 1st, beginning in calendar year 2018 outlining the framework and the evaluations done to date.

(17) $62,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the Washington state institute for public policy to conduct a study on the effectiveness of paraeducators pursuant to Substitute Senate Bill No. 5607 (education). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR WESTERN WASHINGTON UNIVERSITY**

General Fund—State Appropriation (FY 2018) $68,006,000

General Fund—State Appropriation (FY 2019) $69,108,000

General Fund—Private/Local Appropriation $78,000

Education Legacy Trust Account—State Appropriation $13,831,000

Western Washington University Capital Projects

Account—State Appropriation $1,483,000

TOTAL APPROPRIATION $152,506,000

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

(1) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(2) $630,000 of the general fund—state appropriation for fiscal year 2018 and $630,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the creation of a computer and information systems security program located at Olympic college - Poulsbo. The university must identify these students separately when providing data to the educational data centers as required in (1) of this section.

(3) Western Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

(4) $15,326,000 of the general fund—state appropriation for fiscal year 2018 and $15,632,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(5) Within funds appropriated in this section, teacher preparation programs shall meet the requirements of RCW 28B.10.710 to incorporate information on the culture, history, and government of American Indian people in this state by integrating the curriculum developed and made available free of charge by the office of the superintendent of public instruction into existing programs or courses and may modify that curriculum in order to incorporate elements that have a regionally specific focus.

(6) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5022 (education loan information).

(7) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5100 (financial literacy seminars).

(8) $38,000 of the general fund—state appropriation for fiscal year 2018 and $38,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Senate Bill No. 5525 (veterans' mental health services). The university shall use revenue from student health services fees, as defined in RCW 28B.15.041, that are deposited in local accounts located outside of the state treasury to fund the remainder of costs to implement the bill. If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(9) $741,000 of the general fund—state appropriation for fiscal year 2018 and $1,517,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the university to increase full-time equivalent state-supported resident undergraduate enrollment by 100 students in the 2017-18 academic year and 200 students in the 2018-19 academic year. If Senate Bill No. 5902 is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(a) The university shall fill seventy percent of the additional resident undergraduate enrollment with students majoring in science, technology, engineering, and mathematics.

(b) If the university is unable to fill the additional resident undergraduate enrollment in the 2017-18 academic year, the amount provided in this subsection for fiscal year 2018 shall lapse. For the purpose of determining if funding provided in this subsection for fiscal year 2018 shall be lapsed, the university shall report to the office of financial management and the legislative fiscal committees, by September 1, 2018, on the number of additional resident undergraduate students enrolled in the 2017-18 academic year with the funding provided in this subsection for fiscal year 2018.

NEW SECTION. **Sec.**  **FOR THE STUDENT ACHIEVEMENT COUNCIL—POLICY COORDINATION AND ADMINISTRATION**

General Fund—State Appropriation (FY 2018) $5,371,000

General Fund—State Appropriation (FY 2019) $5,388,000

General Fund—Federal Appropriation $4,871,000

TOTAL APPROPRIATION $15,630,000

NEW SECTION. **Sec.**  **FOR THE STUDENT ACHIEVEMENT COUNCIL—OFFICE OF STUDENT FINANCIAL ASSISTANCE**

General Fund—State Appropriation (FY 2018) $217,710,000

General Fund—State Appropriation (FY 2019) $215,966,000

General Fund—Federal Appropriation $11,842,000

General Fund—Private/Local Appropriation $300,000

Education Legacy Trust Account—State Appropriation $149,264,000

WA Opportunity Pathways Account—State Appropriation $81,389,000

Aerospace Training Student Loan Account—State

Appropriation $708,000

Health Professionals Loan Repayment and Scholarship

Program Account—State Appropriation $4,720,000

TOTAL APPROPRIATION $681,899,000

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

(1) $223,073,000 of the general fund—state appropriation for fiscal year 2018, $202,844,000 of the general fund—state appropriation for fiscal year 2019, $100,415,000 of the education legacy trust account—state appropriation, and $60,000,000 of the Washington opportunity pathways account—state appropriation are provided solely for student financial aid payments under the state need grant and state work study programs, including up to four percent administrative allowance for the state work study program.

(2) Changes made to the state need grant program in the 2011-2013 fiscal biennium are continued in the 2017-2019 fiscal biennium. For the 2017-2019 fiscal biennium, awards given to private institutions shall be the same amount as the prior year.

(3) Changes made to the state work study program in the 2009-2011 and 2011-2013 fiscal biennia are continued in the 2017-2019 fiscal biennium including maintaining the increased required employer share of wages; adjusted employer match rates; discontinuation of nonresident student eligibility for the program; and revising distribution methods to institutions by taking into consideration other factors such as off-campus job development, historical utilization trends, and student need.

(4) Within the funds appropriated in this section, eligibility for the state need grant includes students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size, and shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(5) Of the amounts provided in subsection (1) of this section, $100,000 of the general fund—state appropriation for fiscal year 2018 and $100,000 of the general fund—state appropriation for fiscal year 2019 are provided for the council to process an alternative financial aid application system pursuant to RCW 28B.92.010.

(6)(a) Students who are eligible for the college bound scholarship shall be given priority for the state need grant program. These eligible college bound students whose family incomes are in the 0-65 percent median family income ranges must be awarded the maximum state need grant for which they are eligible under state policies and may not be denied maximum state need grant funding due to institutional policies or delayed awarding of college bound scholarship students. The council shall provide directions to institutions to maximize the number of college bound scholarship students receiving the maximum state need grant for which they are eligible with a goal of 100 percent coordination. Institutions shall identify all college bound scholarship students to receive state need grant priority. If an institution is unable to identify all college bound scholarship students at the time of initial state aid packaging, the institution should reserve state need grant funding sufficient to cover the projected enrollments of college bound scholarship students.

(b) In calculating the college bound award, public institutions of higher education are subject to the conditions and limitations in chapter 28B.118 RCW.

(7) $15,849,000 of the education legacy trust account—state appropriation and $29,389,000 of the Washington opportunity pathways account—state appropriation are provided solely for the college bound scholarship program and may support scholarships for summer session.

(8) $2,236,000 of the general fund—state appropriation for fiscal year 2018 and $2,236,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the passport to college program. The maximum scholarship award is up to $5,000. The board shall contract with a nonprofit organization to provide support services to increase student completion in their postsecondary program and shall, under this contract, provide a minimum of $500,000 in fiscal years 2018 and 2019 for this purpose.

(9) $10,400,000 of the general fund—state appropriation for fiscal year 2018 and $4,330,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to meet state match requirements associated with the opportunity scholarship program. The legislature will evaluate subsequent appropriations to the opportunity scholarship program based on the extent that additional private contributions are made, program spending patterns, and fund balance.

(10) $2,325,000 of the general fund—state appropriation for fiscal year 2018 and $2,325,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for expenditure into the health professionals loan repayment and scholarship program account. These amounts and $4,720,000 appropriated from the health professionals loan repayment and scholarship program account—state appropriation must be used to increase the number of licensed primary care health professionals to serve in licensed primary care health professional critical shortage areas. The office of student financial assistance and the department of health shall prioritize a portion of any nonfederal balances in the health professional loan repayment and scholarship fund for conditional loan repayment contracts with psychiatrists and with advanced registered nurse practitioners for work at one of the state-operated psychiatric hospitals. The office and department shall designate the state hospitals as health professional shortage areas if necessary for this purpose. The office shall coordinate with the department of social and health services to effectively incorporate three conditional loan repayments into the department's advanced psychiatric professional recruitment and retention strategies. The office may use these targeted amounts for other program participants should there be any remaining amounts after eligible psychiatrists and advanced registered nurse practitioners have been served. The office shall also work to prioritize loan repayments to professionals working at health care delivery sites that demonstrate a commitment to serving uninsured clients.

(11) $42,000 of the general fund—state appropriation for fiscal year 2018 and $42,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the council to design and implement a program that provides customized information to high-achieving (as determined by local school districts), low-income, high school students. "Low-income" means students who are from low-income families as defined by the education data center in RCW 43.41.400. For the purposes of designing, developing, and implementing the program, the council shall partner with a national entity that offers aptitude tests and shall consult with institutions of higher education with a physical location in Washington. The council shall implement the program no later than fall 2016, giving consideration to spring mailings in order to capture early action decisions offered by institutions of higher education and nonprofit baccalaureate degree-granting institutions. The information packet for students must include at a minimum:

(a) Materials that help students to choose colleges;

(b) An application guidance booklet;

(c) Application fee waivers, if available, for four-year institutions of higher education and independent nonprofit baccalaureate degree-granting institutions in the state that enable students receiving a packet to apply without paying application fees;

(d) Information on college affordability and financial aid that includes information on the net cost of attendance for each four-year institution of higher education and each nonprofit baccalaureate degree-granting institution, and information on merit and need-based aid from federal, state, and institutional sources; and

(e) A personally addressed cover letter signed by the governor and the president of each four-year institution of higher education and nonprofit baccalaureate degree-granting institution in the state.

NEW SECTION. **Sec.**  **FOR THE WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD**

General Fund—State Appropriation (FY 2018) $1,848,000

General Fund—State Appropriation (FY 2019) $1,746,000

General Fund—Federal Appropriation $55,206,000

General Fund—Private/Local Appropriation $206,000

TOTAL APPROPRIATION $59,006,000

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

(1) For the 2017-2019 fiscal biennium the board shall not designate recipients of the Washington award for vocational excellence or recognize them at award ceremonies as provided in RCW 28C.04.535.

(2) The health workforce council of the state workforce training and education coordinating board, in partnership with work underway with the office of the governor, shall, within resources available for such purpose, but not to exceed $250,000, assess workforce shortages across behavioral health disciplines. The board shall create a recommended action plan to address behavioral health workforce shortages and to meet the increased demand for services now, and with the integration of behavioral health and primary care in 2020. The analysis and recommended action plan shall align with the recommendations of the adult behavioral health system task force and related work of the healthier Washington initiative. The board shall consider workforce data, gaps, distribution, pipeline, development, and infrastructure, including innovative high school, postsecondary, and postgraduate programs to evolve, align, and respond accordingly to our state's behavioral health and related and integrated primary care workforce needs. The board will continue its work and submit final recommendations in calendar year 2017.

(3) $22,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for implementation of Substitute Senate Bill No. 5022 (education loan information). If the bill is not enacted by June 30, 2017, the amount provided in this subsection shall lapse.

(4) $110,000 of the general fund—state appropriation for fiscal year 2018 and $61,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Second Substitute Senate Bill No. 5285 (workforce employment sectors study). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(5)(a) For any workforce development council located in a county with a population greater than eight hundred forty thousand, but less than one million five hundred thousand that receives moneys or assistance from appropriations in this section, as a condition of receipt of such moneys or assistance, the workforce development council must participate in a local workforce coordinating committee convened by the county executive authority. The purpose of the local workforce coordinating committee is to facilitate local implementation of the state comprehensive plan for workforce training and education. This committee shall adopt an implementation plan that operationalizes the strategic priorities of the state comprehensive plan in a locally relevant manner.

(b) The local workforce coordinating committee shall be chaired by the county executive authority, and shall be composed of five voting members: (i) The county executive authority; (ii) the chairperson of the county legislative authority; (iii) the chairperson of the local workforce development council; (iv) the chief elected official of a city with a population greater than two hundred thousand; and (v) the chief executive of the local economic development agency.

(c) The local workforce coordinating committee shall include nonvoting, ex officio representation from the following state agencies: (i) The employment security department; (ii) the department of social and health services; (iii) the state board for community and technical colleges; and (iv) the workforce training and education coordinating board.

(d) To assure a locally integrated workforce development system, all publicly funded workforce development activities conducted within the county must align with the implementation plan adopted by the local workforce coordinating committee.

(e) If any part of this section is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF EARLY LEARNING**

General Fund—State Appropriation (FY 2018) $115,994,000

General Fund—State Appropriation (FY 2019) $113,875,000

General Fund—Federal Appropriation $310,268,000

Education Legacy Trust Account—State Appropriation $28,258,000

Home Visiting Services Account—State Appropriation $6,309,000

Home Visiting Services Account—Federal Appropriation $23,836,000

WA Opportunity Pathways Account—State Appropriation $80,000,000

TOTAL APPROPRIATION $678,540,000

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

(1) $49,801,000 of the general fund—state appropriation for fiscal year 2018, $48,904,000 of the general fund—state appropriation for fiscal year 2019, $24,250,000 of the education legacy trust account—state appropriation, and $80,000,000 of the opportunity pathways account appropriation are provided solely for the early childhood education and assistance program. These amounts shall support at least 11,691 slots in fiscal year 2018 and 11,691 slots in fiscal year 2019.

(2) $200,000 of the general fund—state appropriation for fiscal year 2018 and $200,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(3) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to the department of social and health services to fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

(4) $153,244,000 of the general fund—federal appropriation is provided solely for the working connections child care program under RCW 43.215.135. In order to not exceed the appropriated amount, a wait list for the working connections child care program shall be implemented if enrollment reaches 31,000 households. Once the wait list is in effect, and only as space or funding becomes available, enrollment in the program shall be prioritized according to the following order:

(a) Families applying for or receiving temporary assistance for needy families (TANF);

(b) TANF families curing sanction;

(c) Foster children who will be enrolled in slots being held by the state;

(d) Families that include a child with special needs;

(e) Families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center; and

(f) All other eligible families.

(5) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report enrollments and active caseload for the working connections child care program to the legislative fiscal committees and the legislative-executive WorkFirst oversight task force on an agreed upon schedule. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care. The department must also report on the number of children served through contracted slots.

(6) $1,560,000 of the general fund—state appropriation for fiscal year 2018, $1,560,000 of the general fund—state appropriation for fiscal year 2019, and $13,424,000 of the general fund—federal appropriation are provided solely for the seasonal child care program. If federal sequestration cuts are realized, cuts to the seasonal child care program must be proportional to other federal reductions made within the department.

(7) $31,996,000 of the general fund—state appropriation for fiscal year 2018, $33,565,000 of the general fund—state appropriation for fiscal year 2019, and $36,006,000 of the general fund—federal appropriation are provided solely to maintain the requirements set forth in chapter 7, Laws of 2015 3rd special session. The department shall place a ten percent administrative overhead cap on any contract entered into with the University of Washington. In its annual report to the governor and the legislature, the department shall report the total amount of funds spent on the quality rating and improvements system and the total amount of funds spent on degree incentives, scholarships, and tuition reimbursements.

(8) $1,808,000 of the general fund—state appropriation for fiscal year 2018 and $1,808,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for reducing barriers for low-income providers to participate in the early achievers program.

(9) $4,000,000 of the education legacy trust account—state appropriation is provided solely for early intervention assessment and services.

(10) $11,424,000 of the general fund—federal appropriation is provided solely for the department to procure a time and attendance system and are subject to the conditions, limitations, and review provided in section 724 of this act.

(11) Information technology projects or investments and proposed projects or investments impacting time capture, payroll and payment processes and systems, eligibility, case management and authorization systems within the department of early learning are subject to technical oversight by the office of the chief information officer. The department must collaborate with the office of the chief information officer to develop a strategic business and technology architecture plan for a child care attendance and billing system that supports a statewide architecture.

(12)(a)(i) The department of early learning is required to provide to the education research and data center, housed at the office of financial management, data on all state-funded early childhood programs. These programs include the early support for infants and toddlers, early childhood education and assistance program (ECEAP), and the working connections and seasonal subsidized childcare programs including license exempt facilities or family, friend, and neighbor care. The data provided by the department to the education research data center must include information on children who participate in these programs, including their name and date of birth, and dates the child received services at a particular facility.

(ii) By October 2017, and every October thereafter, the department must provide updated ECEAP early learning professional data to the education research data center.

(iii) The department must request federally funded head start programs to voluntarily provide data to the department and the education research data center that is equivalent to what is being provided for state-funded programs.

(iv) The education research and data center must provide an updated report on early childhood program participation and K-12 outcomes to the house of representatives appropriations committee and the senate ways and means committee using available data by November 2017 for the school year ending in 2016 and again in March 2018 for the school year ending in 2017.

(b) The department, in consultation with the department of social and health services, must withhold payment for services to early childhood programs that do not report on the name, date of birth, and the dates a child received services at a particular facility.

(13) The department shall work with state and local law enforcement, federally recognized tribal governments, and tribal law enforcement to develop a process for expediting fingerprinting and data collection necessary to conduct background checks for tribal early learning and child care providers.

(14) $136,000 of the general fund—state appropriation for fiscal year 2018 and $137,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a one percent rate increase for licensed family child care providers; a $1.25 per hour increase for family, friends, and neighbor providers; and a 4.25 percent increase in health insurance premium coverage.

(15) $292,000 of the general fund—state appropriation for fiscal year 2018 and $291,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a one percent base rate increase for child care center providers.

(16) $317,000 of the general fund—state appropriation for fiscal year 2018 and $317,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Substitute Senate Bill No. 5357 (outdoor early learning programs). If the bill is not enacted by June 30, 2017, the amounts provided in this subsection shall lapse.

(17) $2,152,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the early childhood intervention prevention services (ECLIPSE) program. The department shall contract for ECLIPSE services to provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department of social and health services children's administration.

NEW SECTION. **Sec.**  **FOR THE STATE SCHOOL FOR THE BLIND**

General Fund—State Appropriation (FY 2018) $6,724,000

General Fund—State Appropriation (FY 2019) $6,728,000

General Fund—Private/Local Appropriation $34,000

TOTAL APPROPRIATION $13,486,000

The appropriations in this section are subject to the following conditions and limitations: Funding provided in this section is sufficient for the school to offer to students enrolled in grades nine through twelve for full-time instructional services at the Vancouver campus with the opportunity to participate in a minimum of one thousand eighty hours of instruction and the opportunity to earn twenty-four high school credits.

NEW SECTION. **Sec.**  **FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS**

General Fund—State Appropriation (FY 2018) $10,222,000

General Fund—State Appropriation (FY 2019) $10,237,000

TOTAL APPROPRIATION $20,459,000

The appropriations in this section are subject to the following conditions and limitations: Funding provided in this section is sufficient for the center to offer to students enrolled in grades nine through twelve for full-time instructional services at the Vancouver campus with the opportunity to participate in a minimum of one thousand eighty hours of instruction and the opportunity to earn twenty-four high school credits.

NEW SECTION. **Sec.**  **FOR THE WASHINGTON STATE ARTS COMMISSION**

General Fund—State Appropriation (FY 2018) $1,368,000

General Fund—State Appropriation (FY 2019) $1,380,000

General Fund—Federal Appropriation $2,112,000

General Fund—Private/Local Appropriation $16,000

TOTAL APPROPRIATION $4,876,000

NEW SECTION. **Sec.**  **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

General Fund—State Appropriation (FY 2018) $2,462,000

General Fund—State Appropriation (FY 2019) $2,515,000

TOTAL APPROPRIATION $4,977,000

NEW SECTION. **Sec.**  **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

General Fund—State Appropriation (FY 2018) $1,898,000

General Fund—State Appropriation (FY 2019) $1,908,000

TOTAL APPROPRIATION $3,806,000

**PART VII**

**SPECIAL APPROPRIATIONS**

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT**

General Fund—State Appropriation (FY 2018) $1,134,957,000

General Fund—State Appropriation (FY 2019) $1,193,342,000

State Building Construction Account—State Appropriation $6,456,000

Columbia River Basin Water Supply—State Appropriation $79,000

State Taxable Building Construction Account—State

Appropriation $376,000

Debt-Limit Reimbursable Bond Retire Account—State

Appropriation $570,000

TOTAL APPROPRIATION $2,335,780,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account.

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE**

General Fund—State Appropriation (FY 2018) $9,592,000

General Fund—State Appropriation (FY 2019) $1,517,000

Nondebt-Limit Reimbursable Bond Retirement Account—State

Appropriation $184,549,000

TOTAL APPROPRIATION $195,658,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the nondebt-limit general fund bond retirement account.

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

General Fund—State Appropriation (FY 2018) $1,400,000

General Fund—State Appropriation (FY 2019) $1,400,000

Hood Canal Aquatic Rehabilitation—State

Appropriation $1,000

State Building Construction Account—State

Appropriation $2,191,000

Columbia River Basin Water Supply—State Appropriation $58,000

Columbia River Basin Taxable Bond Water

Supply—State Appropriation $14,000

State Taxable Building Construction Account—State

Appropriation $150,000

TOTAL APPROPRIATION $5,214,000

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—EMERGENCY FUND**

General Fund—State Appropriation (FY 2018) $850,000

General Fund—State Appropriation (FY 2019) $850,000

TOTAL APPROPRIATION $1,700,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are for the governor's emergency fund for the critically necessary work of any agency.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—EDUCATION TECHNOLOGY REVOLVING ACCOUNT**

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

General Fund—State Appropriation (FY 2019) $8,000,000

TOTAL APPROPRIATION $16,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the education technology revolving account for the purpose of covering ongoing operational and equipment replacement costs incurred by the K-20 educational network program in providing telecommunication services to network participants.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—O'BRIEN BUILDING IMPROVEMENT**

General Fund—State Appropriation (FY 2018) $2,797,000

General Fund—State Appropriation (FY 2019) $2,798,000

TOTAL APPROPRIATION $5,595,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the enterprise services account for payment of principal, interest, and financing expenses associated with the certificate of participation for the O'Brien building improvement, project number 20081007.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CHERBERG BUILDING REHABILITATION**

General Fund—State Appropriation (FY 2018) $552,000

General Fund—State Appropriation (FY 2019) $554,000

TOTAL APPROPRIATION $1,106,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the enterprise services account for payment for the principal, interest, and financing expenses associated with the certificate of participation for the Cherberg building improvements, project number 2002-1-005.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—ANDY HILL CANCER RESEARCH ENDOWMENT FUND MATCH TRANSFER ACCOUNT**

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

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

TOTAL APPROPRIATION $10,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the Andy Hill cancer research endowment fund match transfer account per RCW 43.348.080 to fund the cancer research endowment program.

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—COUNTY PUBLIC HEALTH ASSISTANCE**

General Fund—State Appropriation (FY 2018) $36,386,000

General Fund—State Appropriation (FY 2019) $36,386,000

TOTAL APPROPRIATION $72,772,000

The appropriations in this section are subject to the following conditions and limitations: The state treasurer shall distribute the appropriations to the counties and health districts listed in this section in the amounts designated to support public health services, including public health nursing. Counties and health districts that have safe injection sites located within their territory or area shall not receive a distribution. For purposes of this section, "Safe injection site" means any building, structure, site, facility, or program, including but not limited to safe consumption or safe injection programs, with a function of providing a space or area for either use or consumption, or both, of federally controlled substances.

|  |  |  |  |
| --- | --- | --- | --- |
| **Health District** | **FY 2018** | **FY 2019** | **2017-2019****Biennium** |
| Adams County Health District | $121,213 | $121,213 | $242,426 |
| Asotin County Health District | $159,890 | $159,890 | $319,780 |
| Benton-Franklin Health District | $1,614,337 | $1,614,337 | $3,228,674 |
| Chelan-Douglas Health District | $399,634 | $399,634 | $799,268 |
| Clallam County Health and Human Services Department | $291,401 | $291,401 | $582,802 |
| Clark County Health District | $1,767,341 | $1,767,341 | $3,534,682 |
| Skamania County Health Department | $111,327 | $111,327 | $222,654 |
| Columbia County Health District | $119,991 | $119,991 | $239,982 |
| Cowlitz County Health Department | $477,981 | $477,981 | $955,962 |
| Garfield County Health District | $93,154 | $93,154 | $186,308 |
| Grant County Health District | $297,761 | $297,761 | $595,522 |
| Grays Harbor Health Department | $335,666 | $335,666 | $671,332 |
| Island County Health Department | $255,224 | $255,224 | $510,448 |
| Jefferson County Health and Human Services | $184,080 | $184,080 | $368,160 |
| Seattle-King County Department of Public Health | $12,685,521 | $12,685,521 | $25,371,042 |
| Bremerton-Kitsap County Health District | $997,476 | $997,476 | $1,994,952 |
| Kittitas County Health Department | $198,979 | $198,979 | $397,958 |
| Klickitat County Health Department | $153,784 | $153,784 | $307,568 |
| Lewis County Health Department | $263,134 | $263,134 | $526,268 |
| Lincoln County Health Department | $113,917 | $113,917 | $227,834 |
| Mason County Department of Health Services | $227,448 | $227,448 | $454,896 |
| Okanogan County Health District | $169,882 | $169,882 | $339,764 |
| Pacific County Health Department | $169,075 | $169,075 | $338,150 |
| Tacoma-Pierce County Health Department | $4,143,169 | $4,143,169 | $8,286,338 |
| San Juan County Health and Community Services | $126,569 | $126,569 | $253,138 |
| Skagit County Health Department | $449,745 | $449,745 | $899,490 |
| Snohomish Health District | $3,433,291 | $3,433,291 | $6,866,582 |
| Spokane County Health District | $2,877,318 | $2,877,318 | $5,754,636 |
| Northeast Tri-County Health District | $249,303 | $249,303 | $498,606 |
| Thurston County Health Department | $1,046,897 | $1,046,897 | $2,093,794 |
| Wahkiakum County Health Department | $93,181 | $93,181 | $186,362 |
| Walla Walla County-City Health Department | $302,173 | $302,173 | $604,346 |
| Whatcom County Health Department | $1,214,301 | $1,214,301 | $2,428,602 |
| Whitman County Health Department | $189,355 | $189,355 | $378,710 |
| Yakima Health District | $1,052,482 | $1,052,482 | $2,104,964 |
| TOTAL APPROPRIATIONS | $36,386,000 | $36,386,000 | $72,772,000 |

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—COUNTY CLERK LEGAL FINANCIAL OBLIGATION GRANTS**

General Fund—State Appropriation (FY 2018) $541,000

General Fund—State Appropriation (FY 2019) $441,000

TOTAL APPROPRIATION $982,000

The appropriations in this section are subject to the following conditions and limitations: By October 1st of each fiscal year, the state treasurer shall distribute the appropriations to the following county clerk offices in the amounts designated as grants for the collection of legal financial obligations pursuant to RCW 2.56.190:

|  |  |  |
| --- | --- | --- |
| County Clerk | FY 2018 | FY 2019 |
| Adams County Clerk |  $2,103 |  $1,714 |
| Asotin County Clerk |  $2,935 |  $2,392 |
| Benton County Clerk |  $18,231 |  $14,858 |
| Chelan County Clerk |  $7,399 |  $6,030 |
| Clallam County Clerk |  $5,832 |  $4,753 |
| Clark County Clerk |  $32,635 |  $26,597 |
| Columbia County Clerk |  $384 |  $313 |
| Cowlitz County Clerk |  $16,923 |  $13,792 |
| Douglas County Clerk |  $3,032 |  $2,471 |
| Ferry County Clerk |  $422 |  $344 |
| Franklin County Clerk |  $5,486 |  $4,471 |
| Garfield County Clerk |  $243 |  $198 |
| Grant County Clerk |  $10,107 |  $8,237 |
| Grays Harbor County Clerk |  $8,659 |  $7,057 |
| Island County Clerk |  $3,059 |  $2,493 |
| Jefferson County Clerk |  $1,859 |  $1,515 |
| King County Court Clerk |  $119,290 |  $97,266 |
| Kitsap County Clerk |  $22,242 |  $18,127 |
| Kittitas County Clerk |  $3,551 |  $2,894 |
| Klickitat County Clerk |  $2,151 |  $1,753 |
| Lewis County Clerk |  $10,340 |  $8,427 |
| Lincoln County Clerk |  $724 |  $590 |
| Mason County Clerk |  $5,146 |  $4,194 |
| Okanogan County Clerk |  $3,978 |  $3,242 |
| Pacific County Clerk |  $2,411 |  $1,965 |
| Pend Oreille County Clerk |  $611 |  $498 |
| Pierce County Clerk |  $77,102 |  $62,837 |
| San Juan County Clerk |  $605 |  $493 |
| Skagit County Clerk |  $11,059 |  $9,013 |
| Skamania County Clerk |  $1,151 |  $938 |
| Snohomish County Clerk |  $38,143 |  $31,086 |
| Spokane County Clerk |  $44,825 |  $36,578 |
| Stevens County Clerk |  $2,984 |  $2,432 |
| Thurston County Clerk |  $22,204 |  $18,096 |
| Wahkiakum County Clerk |  $400 |  $326 |
| Walla Walla County Clerk |  $4,935 |  $4,022 |
| Whatcom County Clerk |  $20,728 |  $16,893 |
| Whitman County Clerk |  $2,048 |  $1,669 |
| Yakima County Clerk |  $25,063 |  $20,426 |
|  |  |  |
| TOTAL APPROPRIATIONS |  $541,000 |  $441,000 |

NEW SECTION. **Sec.**  **BELATED CLAIMS**

The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—CONTRIBUTIONS TO RETIREMENT SYSTEMS**

The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis consistent with chapter 41.45 RCW and section 939 and 940 of this act, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and firefighters' retirement system:

General Fund—State Appropriation (FY 2018) $17,085,000

General Fund—State Appropriation (FY 2019) $17,888,000

TOTAL APPROPRIATION $34,973,000

(2) There is appropriated for contributions to the judicial retirement system:

General Fund—State Appropriation (FY 2018) $8,700,000

General Fund—State Appropriation (FY 2019) $8,400,000

TOTAL APPROPRIATION $17,100,000

(3) There is appropriated for contributions to the judges' retirement system:

General Fund—State Appropriation (FY 2018) $500,000

General Fund—State Appropriation (FY 2019) $500,000

TOTAL APPROPRIATION $1,000,000

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—STATE EFFICIENCY AND RESTRUCTURING REPAYMENT**

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

General Fund—State Appropriation (FY 2019) $5,002,000

TOTAL APPROPRIATION $10,002,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the cleanup settlement account on July 1, 2017, and July 1, 2018, as repayment of moneys that were transferred to the state efficiency and restructuring account.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—COMMON SCHOOL CONSTRUCTION ACCOUNT**

General Fund—State Appropriation (FY 2018) $600,000

General Fund—State Appropriation (FY 2019) $600,000

TOTAL APPROPRIATION $1,200,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the common school construction account—state on July 1, 2017, and July 1, 2018, for an interest payment pursuant to RCW 90.38.130.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—NATURAL RESOURCES REAL PROPERTY REPLACEMENT ACCOUNT**

General Fund—State Appropriation (FY 2018) $300,000

General Fund—State Appropriation (FY 2019) $300,000

TOTAL APPROPRIATION $600,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the natural resources real property replacement account—state on July 1, 2017, and July 1, 2018, for an interest payment pursuant to RCW 90.38.130.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

General Fund—State Appropriation (FY 2018) $227,000

General Fund—State Appropriation (FY 2019) $227,000

TOTAL APPROPRIATION $454,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section, or so much thereof as may be necessary, are provided solely for expenditure into the county criminal justice assistance account—state. The treasurer shall make quarterly distributions from the county criminal justice assistance account of the amounts provided in this section in accordance with RCW 82.14.310 for the purposes of reimbursing local jurisdictions for increased costs incurred as a result of the mandatory arrest of repeat offenders pursuant to chapter 35, Laws of 2013 2nd sp. sess. The appropriations and distributions made under this section constitute appropriate reimbursement for costs for any new programs or increased level of services for the purposes of RCW 43.135.060.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

General Fund—State Appropriation (FY 2018) $133,000

General Fund—State Appropriation (FY 2019) $133,000

TOTAL APPROPRIATION $266,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section, or so much thereof as may be necessary, are appropriated for expenditure into the municipal criminal justice assistance account. The treasurer shall make quarterly distributions from the municipal criminal justice assistance account of the amounts provided in this section in accordance with RCW 82.14.320 and 82.14.330, for the purposes of reimbursing local jurisdictions for increased costs incurred as a result of the mandatory arrest of repeat offenders pursuant to chapter 35, Laws of 2013 2nd sp. sess. The appropriations and distributions made under this section constitute appropriate reimbursement for costs for any new programs or increased level of services for the purposes of RCW 43.135.060.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—COMMUNICATION SERVICES REFORM**

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

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

TOTAL APPROPRIATION $10,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the universal communications services fund to fund the temporary universal communications services program.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—OUTDOOR EDUCATION AND RECREATION ACCOUNT**

General Fund—State Appropriation (FY 2018) $500,000

General Fund—State Appropriation (FY 2019) $500,000

TOTAL APPROPRIATION $1,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the outdoor education and recreation account for the state parks and recreation commission's outdoor education and recreation program purposes identified in RCW 79A.05.351.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—INDIVIDUAL-BASED/PORTABLE BACKGROUND CHECK CLEARANCE ACCOUNT**

General Fund—State Appropriation (FY 2018) $326,000

General Fund—State Appropriation (FY 2019) $82,000

TOTAL APPROPRIATION $408,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the individual-based/portable background check clearance account to reimburse background check fees for unlicensed family, friends, and neighbors who provide subsidized child care for the working connections child care program.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—HOME VISITING SERVICES ACCOUNT**

General Fund—State Appropriation (FY 2018) $691,000

General Fund—State Appropriation (FY 2019) $744,000

TOTAL APPROPRIATION $1,435,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the home visiting services account for the home visiting program.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—EXTRAORDINARY CRIMINAL JUSTICE COSTS**

General Fund—State Appropriation (FY 2018) $240,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute $240,000 to Franklin county for extraordinary criminal justice costs pursuant to RCW 43.330.190.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—FAIR ACCOUNT**

General Fund—State Appropriation (FY 2018) $91,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the fair account.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—INFORMATION TECHNOLOGY INVESTMENT POOL**

General Fund—State Appropriation (FY 2019) $8,693,000

General Fund—Federal Appropriation $1,256,000

Other Appropriated Funds $71,000

TOTAL APPROPRIATION $10,020,000

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

(1) The appropriations in this section are provided solely for expenditure into the information technology investment revolving account created in section 964 of this act. Funds in the account are provided solely for the information technology projects shown in LEAP omnibus document IT-2017, dated March 14, 2017, which is hereby incorporated by reference. To facilitate the transfer of moneys from other funds and accounts that are associated with projects contained in LEAP omnibus document IT-2017, dated March 14, 2017, the state treasurer is directed to transfer moneys from other funds and accounts to the information technology investment revolving account in accordance with schedules provided by the office of financial management.

(2) Agencies may apply to the office of financial management to receive funds from the information technology investment revolving account. Preference must be given to projects that utilize commercial off-the-shelf or software as a service technology solution.

(3) Allocations and allotments may be made only during discrete stages of projects, which at a minimum must include a planning stage, procurement stage, and implementation and integration stage. At least fourteen days prior to an allocation or allotment of funds to an agency, the office of financial management, jointly with the office of the chief information officer, must deliver to the legislative fiscal committees the following information for each project receiving an allocation from the account:

(a) A technology budget using a method similar to the state capital budget, identifying project costs, funding sources, and anticipated deliverables through each stage of the investment and across fiscal periods and biennia from project initiation to implementation. If the project affects more than one agency, a technology budget must be prepared for each agency;

(b) The technology implementation plan that includes:

(i) An organizational chart of the project management team that identifies team members and their roles and responsibilities;

(ii) The office of the chief information officer staff assigned to the project;

(iii) An implementation schedule covering activities, critical milestones, and deliverables at each stage of the project for the life of the project at each agency affected by the project; and

(iv) Performance measures used to determine that the project is on time, within budget, and meeting expectations for quality of work product.

(c) A letter from the office of the chief information officer certifying that:

(i) The project is consistent with the state's enterprise architecture and other policies developed by the office of the chief information officer;

(ii) The agency has the organizational capacity, preparedness, and leadership to implement the project successfully;

(iii) The agency has adequately assessed and minimized the risks inherent with the project;

(iv) The project has the management, staffing, and oversight resources needed for the cost, complexity, and risks associated with the project;

(v) The project has implementation schedules and performance measures for timeliness, deliverables, quality, and budget;

(vi) The agency has an adequate risk management plan that also enables the office of the chief information officer to assess, intervene, and take necessary action when performance measures are not being met; and

(vii) For any investment that does not use commercial off-the-shelf or software as a service technology solution, the proposed project represents the best business solution and should not be delayed.

(4) For any project that exceeds two million dollars in total funds to complete, requires more than one biennium to complete, or is financed through financial contracts, bonds, or other indebtedness:

(i) Quality assurance for the project must report independently to the office of the chief information officer;

(ii) The office of the chief information officer must review, and if necessary, revise the proposed project to ensure it is flexible and adaptable to advances in technology;

(iii) The technology budget must specifically identify the uses of any financing proceeds. No more than thirty percent of the financing proceeds may be used for payroll-related costs for state employees assigned to project management, installation, testing, or training;

(iv) The agency must consult with the office of the state treasurer during the competitive procurement process to evaluate early in the process whether products and services to be solicited and the responsive bids from a solicitation may be financed; and

(v) The agency must consult with the contracting division of the department of enterprise services for a review of all contracts and agreements related to the project's information technology procurements.

(5) The office of the chief information officer may suspend or terminate a project at any time if the office of the chief information officer determines that the project is not meeting or is not expected to meet anticipated performance measures. Once suspension or termination occurs, the agency shall not make additional expenditures on the project without approval of the state chief information officer. If a project is terminated, the office of financial management must terminate the agency's allocation from the information technology investment revolving account and the agency shall return any remaining funds to the account to be reallocated to other projects by the office of financial management.

(6) Any cost to administer or implement this section for projects contained in LEAP omnibus document IT-2017, dated March 14, 2017, must be paid from the information technology investment revolving account. For any other information technology project made subject to the conditions, limitations, and review of this section, the cost to implement this section must be paid from the funds for that project.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—SECRETARY OF STATE ARCHIVES AND RECORDS MANAGEMENT**

General Fund—State Appropriation (FY 2018) $77,000

General Fund—State Appropriation (FY 2019) $86,000

General Fund—Federal Appropriation $37,000

General Fund—Private/Local Appropriation $5,000

Other Appropriated Funds $74,000

TOTAL APPROPRIATION $279,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the secretary of state's billing authority for archives and records management. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92C-2017, dated March 14, 2017, and adjust appropriation schedules accordingly.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—STATE AUDITOR AUDIT SERVICES**

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

General Fund—State Appropriation (FY 2019) $20,000

General Fund—Federal Appropriation $11,000

Other Appropriated Funds $8,000

TOTAL APPROPRIATION $47,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the state auditor's billing authority for state agency auditing services. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92D-2017, dated March 14, 2017, and adjust appropriation schedules accordingly.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—OFFICE OF ATTORNEY GENERAL LEGAL SERVICES**

General Fund—State Appropriation (FY 2018) $1,235,000

General Fund—State Appropriation (FY 2019) $1,436,000

General Fund—Federal Appropriation $1,031,000

General Fund—Private/Local Appropriation $11,000

Other Appropriated Funds $550,000

TOTAL APPROPRIATION $4,263,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the office of attorney general's billing authority for legal services. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92E-2017, dated March 14, 2017, and adjust appropriation schedules accordingly.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—ADMINISTRATIVE HEARINGS**

General Fund—State Appropriation (FY 2018) $26,000

General Fund—State Appropriation (FY 2019) $61,000

General Fund—Federal Appropriation $90,000

General Fund—Private/Local Appropriation $1,000

Other Appropriated Funds $79,000

TOTAL APPROPRIATION $257,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the office of administrative hearing's billing authority. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92G-2017, dated March 14, 2017, and adjust appropriation schedules accordingly.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONSOLIDATED TECHNOLOGY SERVICES CENTRAL SERVICES**

General Fund—State Appropriation (FY 2018) ($443,000)

General Fund—State Appropriation (FY 2019) ($404,000)

General Fund—Federal Appropriation ($188,000)

General Fund—Private/Local Appropriation ($19,000)

Other Appropriated Funds ($196,000)

TOTAL APPROPRIATION ($1,250,000)

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the central technology services' billing authority. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92J-2017, dated March 14, 2017, and adjust appropriation schedules accordingly.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—DEPARTMENT OF ENTERPRISE SERVICES CENTRAL SERVICES**

General Fund—State Appropriation (FY 2018) $2,577,000

General Fund—State Appropriation (FY 2019) $2,155,000

General Fund—Federal Appropriation $1,222,000

General Fund—Private/Local Appropriation $86,000

Other Appropriated Funds $1,749,000

TOTAL APPROPRIATION $7,789,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the department of enterprise services' billing authority. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92K-2017, dated March 14, 2017, and adjust appropriation schedules accordingly.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—INITIATIVE MEASURE NO. 1433 MINIMUM WAGE**

General Fund—State Appropriation (FY 2018) ($5,199,000)

General Fund—State Appropriation (FY 2019) ($5,192,000)

General Fund—Federal Appropriation ($4,266,000)

Other Appropriated Funds $4,543,000

TOTAL APPROPRIATION ($10,114,000)

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to agency cost adjustments from the implementation of Initiative Measure No. 1433 as reflected in the fiscal impact statement prepared by the office of financial management and published in the state voters' guide for the 2016 general election. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document GLJ-2017, dated March 14, 2017, and adjust appropriation schedules accordingly.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—OFFICE OF FINANCIAL MANAGEMENT CENTRAL SERVICES**

General Fund—State Appropriation (FY 2018) $4,468,000

General Fund—State Appropriation (FY 2019) $4,478,000

General Fund—Federal Appropriation $1,258,000

General Fund—Private/Local Appropriation $116,000

Other Appropriated Funds $1,880,000

TOTAL APPROPRIATION $12,200,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to new billing authority for central service functions performed by the office of financial management. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92R-2017, dated March 14, 2017, and adjust appropriation schedules accordingly.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—OFFICE OF FINANCIAL MANAGEMENT STATE HUMAN RESOURCES**

General Fund—State Appropriation (FY 2018) $169,000

General Fund—State Appropriation (FY 2019) $194,000

General Fund—Federal Appropriation $48,000

Other Appropriated Funds $80,000

TOTAL APPROPRIATION $491,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to new billing authority for state human resources functions performed by the office of financial management. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92U1-2017, dated March 14, 2017, and adjust appropriation schedules accordingly.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—SELF-INSURANCE LIABILITY PREMIUM**

General Fund—State Appropriation (FY 2018) ($16,351,000)

General Fund—State Appropriation (FY 2019) ($16,358,000)

General Fund—Federal Appropriation ($7,870,000)

General Fund—Private/Local Appropriation ($3,000)

Other Appropriated Funds ($366,000)

TOTAL APPROPRIATION ($40,948,000)

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the self-insurance premium liability billing authority from implementation of Senate Bill No. 5896 (claims against public entities). The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92X-2017, dated March 14, 2017, and adjust appropriation schedules accordingly.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONTRIBUTIONS FOR STATE AGENCY EMPLOYEE HEALTH INSURANCE—REPRESENTED EMPLOYEES**

General Fund—State Appropriation (FY 2018) $299,000

General Fund—State Appropriation (FY 2019) $9,775,000

General Fund—Federal Appropriation $2,597,000

General Fund—Private/Local Appropriation $245,000

Other Dedicated Funds $3,172,000

TOTAL APPROPRIATION $16,088,000

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

(1) The appropriations in this section are provided solely to adjust agency appropriations for state agency represented employee insurance benefits, including benefits for represented employees at institutions of higher education, consistent with the contribution rates included in section 922 of this act.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer shall transfer sufficient moneys from each dedicated fund or account to the special insurance contribution adjustment revolving account in accordance with LEAP omnibus document COMP-2017. The office of financial management shall adjust allotments for all agencies to reflect these adjusted appropriations.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONTRIBUTIONS FOR STATE AGENCY EMPLOYEE HEALTH INSURANCE—NONREPRESENTED EMPLOYEES**

General Fund—State Appropriation (FY 2018) $141,000

General Fund—State Appropriation (FY 2019) $4,693,000

General Fund—Federal Appropriation $602,000

General Fund—Private/Local Appropriation $54,000

Other Dedicated Funds $4,517,000

TOTAL APPROPRIATION $10,007,000

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

(1) The appropriations in this section are provided solely to adjust agency appropriations for state agency nonrepresented employee insurance benefits, including benefits for nonrepresented employees at institutions of higher education, consistent with the contribution rates included in sections 923 and 924 of this act.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer shall transfer sufficient moneys from each dedicated fund or account to the special insurance contribution adjustment revolving account in accordance with LEAP omnibus document COMP-2017. The office of financial management shall adjust allotments for all agencies to reflect these adjusted appropriations.

NEW SECTION. **Sec.**  **FOR THE GENERAL WAGE INCREASES**

General Fund—State Appropriation (FY 2018) $29,927,000

General Fund—State Appropriation (FY 2019) $59,854,000

General Fund—Federal Appropriation $14,676,000

General Fund—Private/Local Appropriation $1,407,000

Dedicated Funds and Accounts Appropriation $21,465,000

TOTAL APPROPRIATION $127,329,000

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

(1) Funding is provided for a five hundred dollar annual wage increase effective July 1, 2017, and an additional five hundred dollar annual wage increase beginning July 1, 2018, for full-time state agency employees including all represented and nonrepresented state agency classified employees, including classified employees, Washington management service and exempt employees under the jurisdiction of the office of financial management, and executive, legislative, and judicial branch employees exempt from merit system rules, whose maximum salaries are not set by the commission on salaries for elected officials. Prorated increases are provided for part-time employees.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer shall transfer sufficient moneys from each dedicated fund or account to the special insurance contribution adjustment revolving account in accordance with LEAP omnibus document COMP-2017. The office of financial management shall adjust allotments for all agencies to reflect these adjusted appropriations.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONTRIBUTIONS FOR AGENCY MANAGEMENT**

General Fund—State Appropriation (FY 2019) ($21,729,000)

General Fund—Federal Appropriation ($6,644,000)

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

Other Dedicated Funds Appropriation ($10,448,000)

TOTAL APPROPRIATION ($39,323,000)

The appropriations in this section reflect adjustments in agency appropriations:

(1) Funding is adjusted for agency and institution appropriations to reflect a ten percent reduction of Washington management service and exempt management service employees.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer shall transfer sufficient moneys from each dedicated fund or account to the special insurance contribution adjustment revolving account in accordance with LEAP omnibus document COMP-2017. The office of financial management shall adjust allotments for all agencies to reflect these adjusted appropriations.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONTRIBUTIONS FOR INDIRECT AGENCY STAFF**

General Fund—State Appropriation (FY 2019) ($11,498,000)

General Fund—Federal Appropriation ($1,258,000)

General Fund—Private/Local Appropriation ($127,000)

Other Dedicated Funds Appropriation ($3,117,000)

TOTAL APPROPRIATION ($16,000,000)

The appropriations in this section reflect adjustments in agency appropriations:

(1) Funding is adjusted for agency and institution appropriations to reflect a one percent reduction of all agency staff that do not provide a direct service to the public.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer shall transfer sufficient moneys from each dedicated fund or account to the special insurance contribution adjustment revolving account in accordance with LEAP omnibus document COMP-2017. The office of financial management shall adjust allotments for all agencies to reflect these adjusted appropriations.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONTRIBUTIONS FOR RETIREMENT SYSTEMS ADMINISTRATIVE COSTS**

General Fund—State Appropriation (FY 2018) ($3,584,000)

General Fund—State Appropriation (FY 2019) ($3,616,000)

General Fund—Federal Appropriation ($1,649,000)

General Fund—Private/Local Appropriation ($151,000)

Other Dedicated Funds Appropriation ($2,695,000)

TOTAL APPROPRIATION ($11,695,000)

The appropriations in this section reflect adjustments in agency appropriations:

(1) Funding is adjusted for agency and institution appropriations to reflect suspension of the department of retirement systems administrative fee in section 942 of this act.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer shall transfer sufficient moneys from each dedicated fund or account to the special insurance contribution adjustment revolving account in accordance with LEAP omnibus document COMP-2017. The office of financial management shall adjust allotments for all agencies to reflect these adjusted appropriations.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—LEASE COST POOL**

General Fund—State Appropriation (FY 2018) $11,712,000

General Fund—Federal Appropriation $2,431,000

TOTAL APPROPRIATION $14,143,000

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

(1) The appropriations in this section are provided solely for expenditure into the state agency office relocation pool account created in section 935 of this act for state agency office relocation costs as shown in LEAP omnibus document LEAS-2017, dated March 14, 2017, which is hereby incorporated by reference. To facilitate the transfer of moneys from other funds and accounts that are associated with office relocations contained in LEAP omnibus document LEAS-2017, dated March 14, 2017, the state treasurer is directed to transfer moneys from other funds and accounts in an amount not to exceed $2,431,000 to the lease cost pool in accordance with schedules provided by the office of financial management.

(2) Agencies may apply to the office of financial management to receive funds from the state agency office relocation pool account in an amount not to exceed the actual costs for the office relocations.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CHILD WELFARE SYSTEM IMPROVEMENT ACCOUNT**

General Fund—State Appropriation (FY 2018) $4,687,000

General Fund—State Appropriation (FY 2019) $7,848,000

TOTAL APPROPRIATION $12,535,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the child welfare system improvement account for foster home licensing, achieving permanency for children, support and assistance provided to foster parents in order to improve foster home retention and stability of placements, and improving and increasing placement options for youth in out-of-home care.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

General Fund—State Appropriation (FY 2018) $1,800,000

General Fund—State Appropriation (FY 2019) $2,200,000

TOTAL APPROPRIATION $4,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for the implementation of Senate Bill No. 5833 (teachers' retirement system, plan 1 minimum retirement allowance). If the bill is not enacted by June 30, 2017, the amounts provided in this section shall lapse.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—LOCAL TAX DISTRICT BACKFILL**

General Fund—State Appropriation (FY 2019) $3,900,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for distribution to local taxing districts to address potential adverse impacts from the local effort levy pursuant to Substitute Senate Bill No. 5706 (education) and Substitute Senate Bill No. 5875 (education).

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—TEAMSTERS LOCAL 117 DEPARTMENT OF CORRECTIONS**

General Fund—State Appropriation (FY 2018) $28,681,000

General Fund—State Appropriation (FY 2019) $46,389,000

General Fund—Federal Appropriation $117,000

Dedicated Funds and Accounts Appropriation $65,000

TOTAL APPROPRIATION $75,252,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided for the agreement between the governor and the international brotherhood of teamsters local 117 for the department of corrections as provided in section 906 of this act.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—WSP TROOPERS ASSOCIATION**

General Fund—State Appropriation (FY 2018) $1,111,000

General Fund—State Appropriation (FY 2019) $1,336,000

General Fund—Federal Appropriation $11,000

Dedicated Funds and Accounts Appropriation $46,000

TOTAL APPROPRIATION $2,504,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided for the agreement between the governor and the Washington state patrol troopers association as provided in section 907 of this act.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—WSP LIEUTENANTS ASSOCIATION**

General Fund—State Appropriation (FY 2018) $613,000

General Fund—State Appropriation (FY 2019) $711,000

TOTAL APPROPRIATION $1,324,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided for the agreement between the governor and the Washington state patrol troopers association as provided in section 908 of this act.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—ENHANCED 911 ACCOUNT**

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

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the enhanced 911 account.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—SCHOOL DISTRICT FUNDING FORMULA TRANSITION FUNDING**

General Fund—State Appropriation (FY 2019) $500,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is for the office of financial management, in consultation with the superintendent of public instruction, to make additional allocations to school districts based on a determination that the school funding changes made in Substitute Senate Bill No. 5607 (education) and Substitute Senate Bill No. 5875 (education) have negatively impacted the revenue apportionable to a school district in school year 2018-19. These allocations are for the adjustments made in accordance with RCW 28A.510.250(3). The office of financial management shall adjust allotments to the superintendent of public instruction for the amounts determined necessary under this section. It is the intent of the legislature that the appropriation for this transition funding with total $10,000,000 per year in the 2019-2021 fiscal biennium.

**PART VIII**

**OTHER TRANSFERS AND APPROPRIATIONS**

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION**

General Fund Appropriation for fire insurance

premium distributions $9,977,000

General Fund Appropriation for prosecuting attorney

distributions $6,786,000

General Fund Appropriation for boating safety and

education distributions $4,000,000

General Fund Appropriation for public

utility district excise tax distributions $58,134,000

General Fund Appropriation for habitat conservation

program distribution $5,347,000

Death Investigations Account Appropriation for

distribution to counties for publicly funded

autopsies $3,556,000

Aquatic Lands Enhancement Account Appropriation for

harbor improvement revenue distribution $140,000

Timber Tax Distribution Account Appropriation for

distribution to "timber" counties $77,367,000

County Criminal Justice Assistance Appropriation $96,145,000

Municipal Criminal Justice Assistance Appropriation $38,126,000

City-County Assistance Appropriation $27,160,000

Liquor Excise Tax Account Appropriation for liquor

excise tax distribution $56,058,000

Streamlined Sales and Use Tax Mitigation Account

Appropriation for distribution to local taxing

jurisdictions to mitigate the unintended revenue

redistributions effect of sourcing law changes $45,658,000

Columbia River Water Delivery Account Appropriation

for the Confederated Tribes of the Colville

Reservation $8,074,000

Columbia River Water Delivery Account Appropriation

for the Spokane Tribe of Indians $5,394,000

Liquor Revolving Account Appropriation for liquor

profits distribution $98,876,000

General Fund Appropriation for other tax

distributions $80,000

General Fund Appropriation for marijuana excise

tax distributions $30,000,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

Impaired Driving Safety Appropriation $2,110,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2017-2019 fiscal biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

Impaired Driver Safety Appropriation $1,407,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2017-2019 fiscal biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—FEDERAL REVENUES FOR DISTRIBUTION**

General Fund Appropriation for federal flood control

funds distribution $50,000

General Fund Appropriation for federal grazing

fees distribution $43,000

General Fund Appropriation for federal military

fees distribution $601,000

Forest Reserve Fund Appropriation for federal

forest reserve fund distribution $4,610,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. **Sec.**  **FOR THE STATE TREASURER—TRANSFERS**

State Treasurer's Service Account: For transfer to

the state general fund, $6,000,000 for fiscal year

2018 and $6,000,000 for fiscal year 2019 $12,000,000

Public Works Assistance Account: For transfer

to the education legacy trust account, $71,814,000

for fiscal year 2018 and $55,599,000 for fiscal

year 2019 $127,413,000

Waste Reduction/Recycling/Litter Control Account:

For transfer to the parks renewal and stewardship

account, $5,000,000 for fiscal year 2018 and

$5,000,000 for fiscal year 2019 $10,000,000

Criminal Justice Treatment Account: For transfer to

the state general fund, $4,450,000 for fiscal

year 2018 and $4,450,000 for fiscal year 2019 $8,900,000

Dedicated Marijuana Account: For transfer to

the basic health plan trust account, the lesser

of the amount determined pursuant to RCW 69.50.540

or this amount for fiscal year 2018, $156,763,000 and

this amount for fiscal year 2019, $170,358,000 $327,121,000

Dedicated Marijuana Account: For transfer to

the state general fund, the lesser of the amount

determined pursuant to RCW 69.50.540 or this amount

for fiscal year 2018, $102,602,000 and this amount

for fiscal year 2019, $114,816,000 $217,418,000

Aquatic Lands Enhancement Account: For transfer to

the clean up settlement account as repayment of

the loan provided in section 3022(2) chapter 2,

Laws of 2012, 2nd sp. sess. (ESB 6074 2012

supplemental capital budget), $620,000 for fiscal

year 2018 and $620,000 for fiscal year 2019 $1,240,000

Tobacco Settlement Account: For transfer to the

state general fund, in an amount not to exceed the

actual amount of the annual base payment to the

tobacco settlement account for fiscal year 2018 $101,639,000

Tobacco Settlement Account: For transfer to the

state general fund, in an amount not to exceed the

actual amount of the annual base payment to the

tobacco settlement account for fiscal year 2019 $101,639,000

State Toxics Control Account: For transfer to the

cleanup settlement account as repayment of the

loan provided in section 3022(2) chapter 2,

Laws of 2012, 2nd sp. sess. (ESB 6074, 2012

supplemental capital budget), $620,000 for

fiscal year 2018 and $620,000 for fiscal

year 2019 $1,240,000

General Fund: For transfer to the streamlined sales

and use tax account, $22,904,000 for fiscal

year 2018 and $22,774,000 for fiscal year 2019 $45,658,000

Cleanup Settlement Account: For transfer to the

State Efficiency and Restructuring Account for

Fiscal Year 2019 $25,000,000

Tobacco Prevention and Control Account: For transfer

to the state general fund for Fiscal Year 2018 $1,000,000

Death Investigations Account: For transfer to

the state general fund, $1,186,000 for

fiscal year 2018 $1,186,000

Disaster Response Account: For transfer to the state

general fund, $20,000,000 for fiscal year 2018

and $13,800,000 for fiscal year 2019 $33,800,000

Business and Professions Account: For transfer to

the state general fund, $1,000,000 for fiscal

year 2018 $1,000,000

Electrical License Account: For transfer to the state

general fund, $2,000,000 for fiscal year 2018 $2,000,000

New Motor Vehicle Arbitration Account: For transfer

to the state general fund, $2,000,000 for fiscal

year 2018 $2,000,000

**PART IX**

**MISCELLANEOUS**

NEW SECTION. **Sec.**  **EXPENDITURE AUTHORIZATIONS**

The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2015-2017 fiscal biennium.

NEW SECTION. **Sec.**  **EMERGENCY FUND ALLOCATIONS**

Whenever allocations are made from the governor's emergency fund appropriation to an agency that is financed in whole or in part by other than general fund moneys, the director of financial management may direct the repayment of such allocated amount to the general fund from any balance in the fund or funds which finance the agency. An appropriation is not necessary to effect such repayment.

NEW SECTION. **Sec.**  **STATUTORY APPROPRIATIONS**

In addition to the amounts appropriated in this act for revenues for distribution, state contributions to the law enforcement officers' and firefighters' retirement system plan 2 and bond retirement and interest, including ongoing bond registration and transfer charges, transfers, interest on registered warrants, and certificates of indebtedness, there is also appropriated such further amounts as may be required or available for these purposes under any statutory formula or under chapters 39.94, 39.96, and 39.98 RCW or any proper bond covenant made under law.

NEW SECTION. **Sec.**  **BOND EXPENSES**

In addition to such other appropriations as are made by this act, there is hereby appropriated to the state finance committee from legally available bond proceeds in the applicable construction or building funds and accounts such amounts as are necessary to pay the expenses incurred in the issuance and sale of the subject bonds.

NEW SECTION. **Sec.**  **VOLUNTARY RETIREMENT AND SEPARATION**

(1) As a management tool to reduce costs and make more effective use of resources, while improving employee productivity and morale, agencies may implement either a voluntary retirement or separation program, or both, that is cost neutral or results in cost savings, including costs to the state pension systems, over a two-year period following the commencement of the program, provided that such a program is approved by the director of financial management. Agencies participating in this authorization may offer voluntary retirement and/or separation incentives and options according to procedures and guidelines established by the office of financial management in consultation with the department of retirement systems. The options may include, but are not limited to, financial incentives for voluntary separation or retirement. An employee does not have a contractual right to a financial incentive offered under this section. Offers shall be reviewed and monitored jointly by the office of financial management and the department of retirement systems. Agencies are required to submit a report by the date established by the office of financial management in the guidelines required in this section to the legislature and the office of financial management on the outcome of their approved incentive program. The report should include information on the details of the program, including the incentive payment amount for each participant, the total cost to the state, and the projected or actual net dollar savings over the two-year period.

(2) The department of retirement systems may collect from employers the actuarial cost of any incentive provided under this program, or any other incentive to retire provided by employers to members of the state's pension systems, for deposit in the appropriate pension account.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—TEAMSTERS LOCAL 117 DEPARTMENT OF CORRECTIONS**

An agreement has been reached between the governor and the international brotherhood of teamsters local 117 for the department of corrections through an interest arbitration award as provided in a memorandum of understanding between the parties and under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. Funding is provided for the awarded four and one-half percent general wage increase effective July 1, 2017, a three percent general wage increase effective July 1, 2018, and a three percent general wage increase effective January 1, 2019. Funding is also provided for targeted job classification specific increases and increases to vacation leave accruals.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—WSP TROOPERS ASSOCIATION**

An agreement has been reached between the governor and the Washington state patrol troopers association under the provisions of chapter 41.56 RCW for the 2017-2019 fiscal biennium. Funding is provided for a sixteen percent general wage increase for troopers effective July 1, 2017, and a three percent general wage increase for troopers effective July 1, 2018. Funding is also provided for a twenty percent general wage increase for sergeants effective July 1, 2017, and a three percent general wage increase for sergeants effective July 1, 2018. The agreement also includes and funding is provided for increases to longevity pay, changes to specialty pay, and an increase to vacation leave accruals.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—WSP LIEUTENANTS ASSOCIATION**

An agreement has been reached between the governor and the Washington state patrol lieutenants association under the provisions of chapter 41.56 RCW for the 2017-2019 fiscal biennium. Funding is provided for a twenty percent general wage increase effective July 1, 2017, and a three percent general wage increase effective July 1, 2018. The agreement also includes and funding is provided for increases to longevity pay.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENTS**

Sections 906 through 921 of this act represent the results of the 2017-2019 collective bargaining process required under the provisions of chapters 41.80 and 41.56 RCW. Provisions of the collective bargaining agreements contained in this part are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreements. The collective bargaining agreements contained in this part IV of this act may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENTS—GOVERNOR**

(1) Under the provisions of chapters 41.80 and 41.56 RCW, the governor reached tentative agreements for the 2017-2019 fiscal biennium with the following exclusive bargaining representatives:

(a) The Washington federation of state employees;

(b) The Washington public employees association;

(c) The coalition of unions;

(d) The Washington association of fish and wildlife professionals;

(e) The professional and technical employees local 17;

(f) The service employees international union healthcare 1199nw; and

(g) The international brotherhood of teamsters local 117 bargaining units at the department of enterprise services.

(2) The legislature rejects the above tentative agreements that have been reached as a whole.

(3) Appropriations are provided in section 737 of this act to fund the equivalent of a $500 annual wage increase beginning July 1, 2017, and an additional $500 annual wage increase beginning July 1, 2018, for all full-time employees, prorated for part-time employees, including nonrepresented classified employees, employees in the Washington management service, and employees not subject to the provisions of chapter 41.06 RCW.

(4) Funding for an agreement shall be considered approved pursuant to RCW 41.80.010, 41.56.473, and 41.56.475 and the parties shall execute the agreement if the governor and an exclusive bargaining representative in subsection (1)(a) through (g) of this section reach a new agreement under chapters 41.80 or 41.56 RCW for the 2017-2019 fiscal biennium by June 30, 2017, and the agreement reached under this subsection does not create any future fiscal liability on the part of the state in excess of the future fiscal liability created by section 737 of this act for that exclusive bargaining representative members' proportionate share of funding.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—COMMUNITY COLLEGES**

(1) Under the provisions of chapter 41.80 RCW, tentative agreements for the 2017-2019 fiscal biennium have been reached between the following parties:

(a) The governor and the Washington federation of state employees community college coalition and the Washington public employees association community college coalition;

(b) Yakima Valley Community College and the Washington public employees association; and

(c) Highline College and the Washington public employees association.

(2) The legislature rejects the tentative agreements that have been reached as a whole.

(3) An appropriation is provided in section 737 of this act to fund the equivalent of a $500 annual wage increase beginning July 1, 2017, and an additional $500 annual wage increase beginning July 1, 2018, for all full-time employees, prorated for part-time employees, including nonrepresented classified employees and employees not subject to the provisions of chapter 41.06 RCW.

(4) Funding for an agreement shall be considered approved pursuant to RCW 41.80.010 if the parties reach a new agreement under chapter 41.80 RCW for the 2017-2019 fiscal biennium by June 30, 2017, and the agreement reached under this section does not create any future fiscal liability on the part of the state in excess of the future fiscal liability created by section 737 of this act for that exclusive bargaining representative members' proportionate share of funding for that exclusive bargaining representative members' proportionate share of funding.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—THE EVERGREEN STATE COLLEGE**

(1) A tentative agreement has been reached between The Evergreen State College and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. The legislature rejects the tentative agreement that has been reached as a whole. An appropriation is provided in section 737 of this act to fund the equivalent of a $500 annual wage increase beginning July 1, 2017, and an additional $500 annual wage increase beginning July 1, 2018, for all full-time employees, prorated for part-time employees, including nonrepresented classified employees and employees not subject to the provisions of chapter 41.06 RCW.

(2) Funding for an agreement shall be considered approved pursuant to RCW 41.80.010 if the parties reach a new agreement under chapter 41.80 RCW for the 2017-2019 fiscal biennium by June 30, 2017, and the agreement reached under this section does not create any future fiscal liability on the part of the state in excess of the future fiscal liability created by section 737 of this act for that exclusive bargaining representative members' proportionate share of funding.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—WESTERN WASHINGTON UNIVERSITY**

(1) Tentative agreements have been reached between the Western Washington University and the Washington federation of state employees and the public schools employees of Washington under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. The legislature rejects the tentative agreements that have been reached as a whole. An appropriation is provided in section 737 of this act to fund the equivalent of a $500 annual wage increase beginning July 1, 2017, and an additional $500 annual wage increase beginning July 1, 2018, for all full-time employees, prorated for part-time employees, including nonrepresented classified employees and employees not subject to the provisions of chapter 41.06 RCW.

(2) Funding for an agreement shall be considered approved pursuant to RCW 41.80.010 if the parties reach a new agreement under chapter 41.80 RCW for the 2017-2019 fiscal biennium by June 30, 2017, and the agreement reached under this section does not create any future fiscal liability on the part of the state in excess of the future fiscal liability created by section 737 of this act for that exclusive bargaining representative members' proportionate share of funding.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—EASTERN WASHINGTON UNIVERSITY**

(1) A tentative agreement has been reached between Eastern Washington University and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. The legislature rejects the tentative agreement that has been reached as a whole. An appropriation is provided in section 737 of this act to fund the equivalent of a $500 annual wage increase beginning July 1, 2017, and an additional $500 annual wage increase beginning July 1, 2018, for all full-time employees, prorated for part-time employees, including nonrepresented classified employees and employees not subject to the provisions of chapter 41.06 RCW.

(2) Funding for an agreement shall be considered approved pursuant to RCW 41.80.010 if the parties reach a new agreement under chapter 41.80 RCW for the 2017-2019 fiscal biennium by June 30, 2017, and the agreement reached under this section does not create any future fiscal liability on the part of the state in excess of the future fiscal liability created by section 737 of this act for that exclusive bargaining representative members' proportionate share of funding.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—CENTRAL WASHINGTON UNIVERSITY**

(1) Tentative agreements have been reached between Central Washington University and the Washington federation of state employees and the public schools employees of Washington under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. The legislature rejects the tentative agreements that have been reached as a whole. An appropriation is provided in section 737 of this act to fund the equivalent of a $500 annual wage increase beginning July 1, 2017, and an additional $500 annual wage increase beginning July 1, 2018, for all full-time employees, prorated for part-time employees, including nonrepresented classified employees and employees not subject to the provisions of chapter 41.06 RCW.

(2) Funding for an agreement shall be considered approved pursuant to RCW 41.80.010 if the parties reach a new agreement under chapter 41.80 RCW for the 2017-2019 fiscal biennium by June 30, 2017, and the agreement reached under this section does not create any future fiscal liability on the part of the state in excess of the future fiscal liability created by section 737 of this act for that exclusive bargaining representative members' proportionate share of funding.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—UNIVERSITY OF WASHINGTON**

(1) Tentative agreements have been reached between the University of Washington and the Washington federation of state employees and the service employees international union 925 under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. The legislature rejects the tentative agreements that have been reached as a whole. An appropriation is provided in section 737 of this act to fund the equivalent of a $500 annual wage increase beginning July 1, 2017, and an additional $500 annual wage increase beginning July 1, 2018, for all full-time employees, prorated for part-time employees, including nonrepresented classified employees and employees not subject to the provisions of chapter 41.06 RCW.

(2) Funding for an agreement shall be considered approved pursuant to RCW 41.80.010 if the parties reach a new agreement under chapter 41.80 RCW for the 2017-2019 fiscal biennium by June 30, 2017, and the agreement reached under this section does not create any future fiscal liability on the part of the state in excess of the future fiscal liability created by section 737 of this act for that exclusive bargaining representative members' proportionate share of funding.

NEW SECTION. **Sec.**  **COLLECTIVE BARGAINING AGREEMENT—WASHINGTON STATE UNIVERSITY**

(1) Tentative agreements have been reached between the Washington State University and the Washington federation of state employees, the public schools employees of Washington, and the Washington State University police guild under the provisions of chapter 41.80 RCW for the 2017-2019 fiscal biennium. The legislature rejects the tentative agreements that have been reached as a whole. An appropriation is provided in section 737 of this act to fund the equivalent of a $500 annual wage increase beginning July 1, 2017, and an additional $500 annual wage increase beginning July 1, 2018, for all full-time employees, prorated for part-time employees, including nonrepresented classified employees and employees not subject to the provisions of chapter 41.06 RCW.

(2) Funding for an agreement shall be considered approved pursuant to RCW 41.80.010 if the parties reach a new agreement under chapter 41.80 RCW for the 2017-2019 fiscal biennium by June 30, 2017, and the agreement reached under this section does not create any future fiscal liability on the part of the state in excess of the future fiscal liability created by section 737 of this act for that exclusive bargaining representative members' proportionate share of funding.

NEW SECTION. **Sec.**  **FOR THE COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—LANGUAGE ACCESS PROVIDERS WFSE LANGUAGE ACCESS PROVIDERS WFSE**

An agreement has been reached between the governor and the Washington federation of state employees for the language access providers under the provisions of chapter 41.56 RCW for the 2017-2019 fiscal biennium. The legislature rejects the tentative agreement that has been reached as a whole.

NEW SECTION. **Sec.**  **FOR THE COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—SEIU HEALTHCARE 775NW HOMECARE WORKERS SEIU HEALTHCARE 775NW HOMECARE WORKERS**

An agreement has been reached between the governor and the service employees international union healthcare 775nw under the provisions of chapter 74.39A and 41.56 RCW for the 2017-2019 fiscal biennium. The legislature rejects the tentative agreement that has been reached as a whole. An appropriation is provided in section 205 and section 206 of this act to fund a vendor rate increase of 2.0 percent on July 1, 2017, and 2.0 percent on July 1, 2018.

NEW SECTION. **Sec.**  **FOR THE COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—SEIU LOCAL 925 CHILDCARE WORKERS SEIU LOCAL 925 CHILDCARE WORKERS**

An agreement has been reached between the governor and the service employees international union local 925 under the provisions of chapter 41.56 RCW for the 2017-2019 fiscal biennium. The legislature rejects the tentative agreement that has been reached as a whole. Appropriations are provided in sections 202 and 207 of this act to fund a 1.0 percent base rate increase for licensed family home providers, a $1.25 per hour rate increase for Family, Friend, and Neighbor providers, and a 4.25 percent increase for health insurance premiums.

NEW SECTION. **Sec.**  **FOR THE COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—WSRCC ADULT FAMILY HOMES WSRCC ADULT FAMILY HOMES**

An agreement has been reached between the governor and the Washington state residential care council under the provisions of chapter 41.56 RCW for the 2017-2019 fiscal biennium. The legislature rejects the tentative agreement that has been reached as a whole. An appropriation is provided in section 205 and section 206 of this act to fund a vendor rate increase of 2.0 percent on July 1, 2017, and 2.0 percent on July 1, 2018.

NEW SECTION. **Sec.**  **COMPENSATION—REPRESENTED EMPLOYEES—SUPER COALITION—INSURANCE BENEFITS**

A tentative health care benefits agreement has been reached for the 2017-2019 fiscal 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, and the appropriations in section 735 of this act are sufficient to implement the provisions of the 2017-2019 collective bargaining agreement and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan shall not exceed $889 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate shall not exceed $920 per eligible employee.

(b) The health care authority shall make modifications that will reduce the actuarial value of the uniform medical plan by one percent effective January 1, 2018, and one percent effective January 1, 2019, and to reduce the actuarial value of the managed health care plans by 0.6 percent effective January 1, 2018, and 0.6 percent effective January 1, 2019.

(c) Except as prohibited by the tentative health care benefits 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 make other changes to benefits consistent with RCW 41.05.065, but in no case to increase the actuarial value of the plans offered as compared to the comparable plans offered to enrollees in calendar year 2017 or beyond the reductions specified in this section.

(d) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2018 and 2019, the subsidy shall be up to $150.00 per month.

(3) All savings resulting from reduced claim costs or other factors identified after December 31, 2016, must be reserved for funding employee health benefits in the 2019-2021 fiscal biennium.

NEW SECTION. **Sec.**  **COMPENSATION—REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION—INSURANCE BENEFITS**

Appropriations for state agencies in this act, and the appropriations in sections 735 and 736 of this act, are sufficient for represented employees outside the super coalition for health benefits, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan shall not exceed $889 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate shall not exceed $920 per eligible employee.

(b) The health care authority shall make modifications that will reduce the actuarial value of the uniform medical plan by one percent effective January 1, 2018, and one percent effective January 1, 2019, and to reduce the actuarial value of the managed health care plans by 0.6 percent effective January 1, 2018, and 0.6 percent effective January 1, 2019.

(c) Except as prohibited by the tentative health care benefits 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 make other changes to benefits consistent with RCW 41.05.065, but in no case to increase the actuarial value of the plans offered as compared to the comparable plans offered to enrollees in calendar year 2017 or beyond the reduction specified in this section.

(d) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2018 and 2019, the subsidy shall be up to $150.00 per month.

(3) All savings resulting from reduced claim costs or other factors identified after December 31, 2016, must be reserved for funding employee health benefits in the 2019-2021 fiscal biennium.

NEW SECTION. **Sec.**  **COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS**

Appropriations for state agencies in this act, and the appropriations in section 736 of this act, are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $889 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate shall not exceed $920 per eligible employee.

(b) The health care authority shall make modifications that will reduce the actuarial value of the uniform medical plan by one percent effective January 1, 2018, and one percent effective January 1, 2019, and to reduce the actuarial value of the managed health care plans by 0.6 percent effective January 1, 2018, and 0.6 percent effective January 1, 2019.

(c) Except as prohibited by the tentative health care benefits 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 make other changes to benefits consistent with RCW 41.05.065, but in no case to increase the actuarial value of the plans offered as compared to the comparable plans offered to enrollees in calendar year 2017 or beyond the reduction specified in this section.

(d) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2018 and 2019, the subsidy shall be up to $150.00 per month.

(3) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, $65.85 per month beginning September 1, 2017, and $69.82 beginning September 1, 2018; and

(b) For each part-time employee, who at the time of the remittance is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, $65.85 each month beginning September 1, 2017, and $69.82 beginning September 1, 2018, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection (3) shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

(4) All savings resulting from reduced claim costs or other factors identified after December 31, 2016, must be reserved for funding employee health benefits in the 2019-2021 fiscal biennium.

NEW SECTION. **Sec.**  **INITIATIVE 732 COST-OF-LIVING INCREASES**

General wage increases authorized in parts 7 and 9 of this act do not apply to state employees covered by Initiative Measure No. 732.

NEW SECTION. **Sec.**  **COMPENSATION—REVISE PENSION CONTRIBUTION RATES**

The appropriations in this act for school districts and state agencies, including institutions of higher education, are subject to the following conditions and limitations: Appropriations are adjusted to reflect changes to agency appropriations to reflect pension contribution rates adopted by the pension funding council and the law enforcement officers' and firefighters' retirement system plan 2 board.

**Sec.**  RCW 19.28.351 and 2013 2nd sp.s. c 4 s 956 are each amended to read as follows:

All sums received from licenses, permit fees, or other sources, herein shall be paid to the state treasurer and placed in a special fund designated as the "electrical license fund," and paid out upon vouchers duly and regularly issued therefor and approved by the director of labor and industries or the director's designee following determination by the board that the sums are necessary to accomplish the intent of this chapter ((~~19.28 RCW~~)). The treasurer shall keep an accurate record of payments into, or receipts of, the fund, and of all disbursements therefrom.

During the ((~~2013-2015~~)) 2017-2019 biennium, the legislature may direct the state treasurer to make transfers of moneys ((~~from~~)) in the electrical license fund to the state general fund ((~~such amounts as reflect the excess fund balance of the fund~~)).

**Sec.**  RCW 19.118.110 and 2008 c 93 s 1 are each amended to read as follows:

If the new motor vehicle will be registered in the state of Washington, a three-dollar arbitration fee shall be collected by either the new motor vehicle dealer or vehicle lessor from the consumer upon execution of a retail sale or lease agreement. The fee shall be forwarded to the department of licensing at the time of title application for deposit in the new motor vehicle arbitration account hereby created in the state treasury. Moneys in the account shall be used for the purposes of this chapter, subject to appropriation. During the 1995-97 fiscal biennium, the legislature may transfer moneys from the account to the extent that the moneys are not necessary for the purposes of this chapter.

At the end of each fiscal year, the attorney general shall prepare a report listing the annual revenue generated and the expenses incurred in implementing and operating the arbitration program under this chapter.

During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the new motor vehicle arbitration account to the state general fund.

**Sec.**  RCW 28B.15.031 and 2015 3rd sp.s. c 36 s 1 are each amended to read as follows:

(1) The term "operating fees" as used in this chapter shall include the fees, other than building fees, charged all students registering at the state's colleges and universities but shall not include fees for short courses, self-supporting degree credit programs and courses, marine station work, experimental station work, correspondence or extension courses, and individual instruction and student deposits or rentals, disciplinary and library fines, which colleges and universities shall have the right to impose, laboratory, gymnasium, health, technology and student activity fees, or fees, charges, rentals, and other income derived from any or all revenue producing lands, buildings and facilities of the colleges or universities heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, vehicular parking facilities, land, or the appurtenances thereon, or such other special fees as may be established by any college or university board of trustees or regents from time to time. All moneys received as operating fees at any institution of higher education shall be deposited in a local account containing only operating fees revenue and related interest: PROVIDED, That a minimum of four percent of operating fees shall be retained by four‑year institutions of higher education and a minimum of three and one-half percent of operating fees shall be retained by the community and technical colleges for the purposes of RCW 28B.15.820. At least thirty percent of operating fees required to be retained by the four-year institutions for purposes of RCW 28B.15.820 shall be used only for the purposes of RCW 28B.15.820(10).

(2) In addition to the three and one-half percent of operating fees retained by the institutions under subsection (1) of this section, except as provided in subsection (4) of this section, up to three percent of operating fees charged to students at community and technical colleges shall be transferred to the community and technical college innovation account for the implementation of the college board's strategic technology plan in RCW 28B.50.515. The percentage to be transferred to the community and technical college innovation account shall be determined by the college board each year but shall not exceed three percent of the operating fees collected each year.

(3) Local operating fee accounts shall not be subject to appropriation by the legislature but shall be subject to allotment procedures by budget program and fiscal year under chapter 43.88 RCW.

(4) For the 2017-2019 fiscal biennium, up to one percent of operating fees charged to students at community and technical colleges and the amount for the payment of principal of and interest on financing contracts, such as certificates of participation issued for the innovation account under chapter 39.94 RCW and authorized by the legislature, shall be transferred to the community and technical college innovation account for the implementation of the college board's strategic technology plan in RCW 28B.50.515. The amount to be transferred to the community and technical college innovation account shall be determined by the college board each year but shall not exceed one percent of operating fees collected each year and the amount for the payment of principal of and interest on financing contracts. The percentage to be transferred to the community and technical college innovation account shall increase up to three percent when the pilot phase of the ctcLink project funded through the community and technical college innovation account created in RCW 28B.50.515 is completed.

**Sec.**  RCW 28B.15.210 and 2015 3rd sp.s. c 3 s 7027 are each amended to read as follows:

Within thirty-five days from the date of collection thereof, all building fees at the University of Washington, including building fees to be charged students registering in the schools of medicine and dentistry, shall be paid into the state treasury and credited as follows:

One-half or such larger portion as may be necessary to prevent a default in the payments required to be made out of the bond retirement fund to the "University of Washington bond retirement fund" and the remainder thereof to the "University of Washington building account." The sum so credited to the University of Washington building account shall be used exclusively for the purpose of erecting, altering, maintaining, equipping, or furnishing buildings, and for certificates of participation under chapter 39.94 RCW, except for any sums transferred as authorized in RCW 28B.20.725(3). The sum so credited to the University of Washington bond retirement fund shall be used for the payment of principal of and interest on bonds outstanding as provided by chapter 28B.20 RCW except for any sums transferred as authorized in RCW 28B.20.725(5). During the 2013-2015 biennium, sums credited to the University of Washington building account shall also be used for routine facility maintenance, utility costs, and facility condition assessments. During the 2015-2017 ((~~biennium~~)) and 2017-2019 fiscal biennia, sums credited to the University of Washington building account shall also be used for routine facility maintenance, utility costs, and facility condition assessments.

**Sec.**  RCW 28B.15.310 and 2015 3rd sp.s. c 3 s 7026 are each amended to read as follows:

Within thirty-five days from the date of collection thereof, all building fees shall be paid and credited as follows: To the Washington State University bond retirement fund, one-half or such larger portion as may be necessary to prevent a default in the payments required to be made out of such bond retirement fund; and the remainder thereof to the Washington State University building account.

The sum so credited to the Washington State University building account shall be expended by the board of regents for buildings, equipment, or maintenance on the campus of Washington State University as may be deemed most advisable and for the best interests of the university, and for certificates of participation under chapter 39.94 RCW, except for any sums transferred as authorized by law. During the 2013-2015 biennium, sums credited to the Washington State University building account shall also be used for routine facility maintenance, utility costs, and facility condition assessments. During the 2015-2017 ((~~biennium~~)) and 2017-2019 fiscal biennia, sums credited to the Washington State University building account shall also be used for routine facility maintenance, utility costs, and facility condition assessments. Expenditures so made shall be accounted for in accordance with existing law and shall not be expended until appropriated by the legislature.

The sum so credited to the Washington State University bond retirement fund shall be used to pay and secure the payment of the principal of and interest on building bonds issued by the university, except for any sums which may be transferred out of such fund as authorized by law.

**Sec.**  RCW 28B.15.910 and 2015 c 55 s 224 are each amended to read as follows:

(1) For the purpose of providing state general fund support to public institutions of higher education, except for revenue waived under programs listed in subsections (3) and (4) of this section, and unless otherwise expressly provided in the omnibus state appropriations act, the total amount of operating fees revenue waived, exempted, or reduced by a state university, a regional university, The Evergreen State College, or the community and technical colleges as a whole, shall not exceed the percentage of total gross authorized operating fees revenue in this subsection. As used in this section, "gross authorized operating fees revenue" means the estimated gross operating fees revenue as estimated under RCW 82.33.020 or as revised by the office of financial management, before granting any waivers. Except as provided in subsection (6), this limitation applies to all tuition waiver programs established before or after July 1, 1992.

(a) University of Washington 21 percent

(b) Washington State University 20 percent

(c) Eastern Washington University 11 percent

(d) Central Washington University 10 percent

(e) Western Washington University 10 percent

(f) The Evergreen State College 10 percent

(g) Community and technical colleges as a whole 35 percent

(2) The limitations in subsection (1) of this section apply to waivers, exemptions, or reductions in operating fees contained in the following:

(a) RCW 28B.15.014;

(b) RCW 28B.15.100;

(c) RCW 28B.15.225;

(d) RCW 28B.15.380;

(e) RCW 28B.15.520;

(f) RCW 28B.15.526;

(g) RCW 28B.15.527;

(h) RCW 28B.15.555;

(i) RCW 28B.15.556;

(j) RCW 28B.15.615;

(k) RCW 28B.15.621 (2) and (4);

(l) RCW 28B.15.730;

(m) RCW 28B.15.740;

(n) RCW 28B.15.750;

(o) RCW 28B.15.756;

(p) RCW 28B.50.259; and

(q) RCW 28B.70.050.

(3) The limitations in subsection (1) of this section do not apply to waivers, exemptions, or reductions in services and activities fees contained in the following:

(a) RCW 28B.15.522;

(b) RCW 28B.15.540;

(c) RCW 28B.15.558; and

(d) RCW 28B.15.621(3).

(4) The total amount of operating fees revenue waived, exempted, or reduced by institutions of higher education participating in the western interstate commission for higher education western undergraduate exchange program under RCW 28B.15.544 shall not exceed the percentage of total gross authorized operating fees revenue in this subsection.

(a) Washington State University 1 percent

(b) Eastern Washington University 3 percent

(c) Central Washington University 3 percent

(5) The institutions of higher education will participate in outreach activities to increase the number of veterans who receive tuition waivers. Colleges and universities shall revise the application for admissions so that all applicants shall have the opportunity to advise the institution that they are veterans who need assistance. If a person indicates on the application for admissions that the person is a veteran who is in need of assistance, then the institution of higher education shall ask the person whether they have any funds disbursed in accordance with the Montgomery GI Bill available to them. Each institution shall encourage veterans to utilize funds available to them in accordance with the Montgomery GI Bill prior to providing the veteran a tuition waiver.

(6) For the 2017-18 and 2018-19 academic years, the legislature hereby lowers the limit on total gross authorized operating fees revenue waived, exempted, or reduced by state institutions of higher education pursuant to subsection (1) as follows:

(a) University of Washington 20 percent

(b) Washington State University 19 percent

(c) Eastern Washington University 10 percent

(d) Central Washington University 9 percent

(e) Western Washington University 9 percent

(f) The Evergreen State College 9 percent

(g) Community colleges as a whole 34 percent.

**Sec.**  RCW 28B.35.370 and 2015 3rd sp.s. c 3 s 7029 are each amended to read as follows:

Within thirty-five days from the date of collection thereof all building fees of each regional university and The Evergreen State College shall be paid into the state treasury and these together with such normal school fund revenues as provided in RCW 28B.35.751 as are received by the state treasury shall be credited as follows:

(1) On or before June 30th of each year the board of trustees of each regional university and The Evergreen State College, if issuing bonds payable out of its building fees and above described normal school fund revenues, shall certify to the state treasurer the amounts required in the ensuing twelve months to pay and secure the payment of the principal of and interest on such bonds. The amounts so certified by each regional university and The Evergreen State College shall be a prior lien and charge against all building fees and above described normal school fund revenues of such institution. The state treasurer shall thereupon deposit the amounts so certified in the Eastern Washington University capital projects account, the Central Washington University capital projects account, the Western Washington University capital projects account, or The Evergreen State College capital projects account respectively, which accounts are hereby created in the state treasury. The amounts deposited in the respective capital projects accounts shall be used to pay and secure the payment of the principal of and interest on the building bonds issued by such regional universities and The Evergreen State College as authorized by law. If in any twelve month period it shall appear that the amount certified by any such board of trustees is insufficient to pay and secure the payment of the principal of and interest on the outstanding building and above described normal school fund revenue bonds of its institution, the state treasurer shall notify the board of trustees and such board shall adjust its certificate so that all requirements of moneys to pay and secure the payment of the principal of and interest on all such bonds then outstanding shall be fully met at all times.

(2) All normal school fund revenue pursuant to RCW 28B.35.751 shall be deposited in the Eastern Washington University capital projects account, the Central Washington University capital projects account, the Western Washington University capital projects account, or The Evergreen State College capital projects account respectively, which accounts are hereby created in the state treasury. The sums deposited in the respective capital projects accounts shall be appropriated and expended to pay and secure the payment of the principal of and interest on bonds payable out of the building fees and normal school revenue and for the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto except for any sums transferred therefrom as authorized by law. ((~~However, during the 2013-2015 biennium, sums in the respective capital accounts shall also be used for routine facility maintenance, utility costs, and facility condition assessments.~~)) However, during the 2015-2017 ((~~biennium~~)) and 2017-2019 fiscal biennia, sums in the respective capital accounts shall also be used for routine facility maintenance, utility costs, and facility condition assessments.

(3) Funds available in the respective capital projects accounts may also be used for certificates of participation under chapter 39.94 RCW.

**Sec.**  RCW 28B.50.360 and 2015 3rd sp.s. c 3 s 7030 are each amended to read as follows:

Within thirty-five days from the date of start of each quarter all collected building fees of each such community and technical college shall be paid into the state treasury, and shall be credited as follows:

(1) On or before June 30th of each year the college board if issuing bonds payable out of building fees shall certify to the state treasurer the amounts required in the ensuing twelve-month period to pay and secure the payment of the principal of and interest on such bonds. The state treasurer shall thereupon deposit the amounts so certified in the community and technical college capital projects account. Such amounts of the funds deposited in the community and technical college capital projects account as are necessary to pay and secure the payment of the principal of and interest on the building bonds issued by the college board as authorized by this chapter shall be devoted to that purpose. If in any twelve-month period it shall appear that the amount certified by the college board is insufficient to pay and secure the payment of the principal of and interest on the outstanding building bonds, the state treasurer shall notify the college board and such board shall adjust its certificate so that all requirements of moneys to pay and secure the payment of the principal and interest on all such bonds then outstanding shall be fully met at all times.

(2) The community and technical college capital projects account is hereby created in the state treasury. The sums deposited in the capital projects account shall be appropriated and expended to pay and secure the payment of the principal of and interest on bonds payable out of the building fees and for the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets owned by the state board for community and technical colleges in the name of the state of Washington, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto, engineering and architectural services provided by the department of enterprise services, and for the payment of principal of and interest on any bonds issued for such purposes. ((~~However, during the 2013-2015 biennium, sums in the capital projects account shall also be used for routine facility maintenance and utility costs.~~)) However, during the 2015-2017 ((~~biennium~~)) and 2017-2019 fiscal biennia, sums in the capital projects account shall also be used for routine facility maintenance and utility costs.

(3) Funds available in the community and technical college capital projects account may also be used for certificates of participation under chapter 39.94 RCW.

**Sec.**  RCW 28C.04.535 and 2015 3rd sp.s. c 4 s 948 are each amended to read as follows:

Except for the ((~~2015-16 and 2016-17~~)) 2017-18 and 2018-19 school years, the Washington award for vocational excellence shall be granted annually. The workforce training and education coordinating board shall notify the students receiving the award, their vocational instructors, local chambers of commerce, the legislators of their respective districts, and the governor, after final selections have been made. The workforce training and education coordinating board, in conjunction with the governor's office, shall prepare appropriate certificates to be presented to the selected students. Awards shall be presented in public ceremonies at times and places determined by the workforce training and education coordinating board in cooperation with the office of the governor.

**Sec.**  RCW 36.70A.725 and 2011 c 360 s 7 are each amended to read as follows:

(1) Upon receipt of a work plan submitted to the director under RCW 36.70A.720(2)(a), the director must submit the work plan to the technical panel for review.

(2) The technical panel shall review the work plan and report to the director within ((~~forty-five~~)) ninety days after the director receives the work plan. The technical panel shall assess whether at the end of ten years after receipt of funding, the work plan, in conjunction with other existing plans and regulations, will protect critical areas while maintaining and enhancing the viability of agriculture in the watershed.

(3)(a) If the technical panel determines the proposed work plan will protect critical areas while maintaining and enhancing the viability of agriculture in the watershed:

(i) It must recommend approval of the work plan; and

(ii) The director must approve the work plan.

(b) If the technical panel determines the proposed work plan will not protect critical areas while maintaining and enhancing the viability of agriculture in the watershed:

(i) It must identify the reasons for its determination; and

(ii) The director must advise the watershed group of the reasons for disapproval.

(4) The watershed group may modify and resubmit its work plan for review and approval consistent with this section.

(5) If the director does not approve a work plan submitted under this section within two years and nine months after receipt of funding, the director shall submit the work plan to the statewide advisory committee for resolution. If the statewide advisory committee recommends approval, the director must approve the work plan.

(6) If the director does not approve a work plan for a watershed within three years after receipt of funding, the provisions of RCW 36.70A.735(2) apply to the watershed.

**Sec.**  RCW 38.40.210 and 2005 c 252 s 2 are each amended to read as follows:

The military department rental and lease account is created in the state treasury. All receipts from the rental or lease of state-owned military department property must be deposited into the account. Money in the account may be spent only after appropriation. Expenditures from the account may be used only for operating and maintenance costs of military property. During the 2017-2019 fiscal biennium, the account may be used for expenditures for the protection for occupants of national guard recruiting offices and other facilities not located on a secure military installation.

**Sec.**  RCW 41.16.050 and 2007 c 218 s 22 are each amended to read as follows:

(1) There is hereby created and established in the treasury of each municipality a fund which shall be known and designated as the firefighters' pension fund, which shall consist of: ((~~(1)~~)) (a) All bequests, fees, gifts, emoluments, or donations given or paid thereto; ((~~(2)~~)) (b) twenty-five percent of all moneys received by the state from taxes on fire insurance premiums; ((~~(3)~~)) (c) taxes paid pursuant to the provisions of RCW 41.16.060; ((~~(4)~~)) (d) interest on the investments of the fund; and ((~~(5)~~)) (e) contributions by firefighters as provided ((~~for herein~~)) in this section. Except as provided in subsection (2) of this section, the moneys received from the tax on fire insurance premiums under the provisions of this chapter shall be distributed in the proportion that the number of paid firefighters in the city, town, or fire protection district bears to the total number of paid firefighters throughout the state to be ascertained in the following manner: The secretary of the firefighters' pension board of each city, town, and fire protection district now or hereafter coming under the provisions of this chapter shall within thirty days after June 7, 1961, and on or before the fifteenth day of January thereafter, certify to the state treasurer the number of paid firefighters in the fire department in such city, town, or fire protection district. For any city or town annexed by a fire protection district at any time before, on, or after June 9, 1994, the city or town shall continue to certify to the state treasurer the number of paid firefighters in the city or town fire department immediately before annexation until all obligations against the firefighters' pension fund in the city or town have been satisfied. For the purposes of the calculation in this section, the state treasurer shall subtract the number certified by the annexed city or town from the number of paid firefighters certified by an annexing fire protection district. The state treasurer shall on or before the first day of June of each year deliver to the treasurer of each city, town, and fire protection district coming under the provisions of this chapter his or her warrant, payable to each city, town, or fire protection district for the amount due such city, town or fire protection district ascertained as herein provided and the treasurer of each such city, town, or fire protection district shall place the amount thereof to the credit of the firefighters' pension fund of such city, town, or fire protection district.

(2)(a) For fiscal year 2018 and 2019, twenty-five percent of all moneys received by the state from taxes on fire insurance premiums shall be distributed to eligible cities, towns, and fire protection districts in the amount of two thousand dollars for each firefighter eligible to receive benefits from the fund or the amount of funds distributed to that city or town during fiscal year 2017, whichever is less.

(b) To be eligible for a distribution, a city or town must demonstrate that the tax levy under RCW 41.16.060 is being levied at the rate of twenty-two and one-half cents per thousand dollars of assessed value and that the total proceeds from this levy cannot meet the estimated demands on the fund or maintain the actuarial soundness of the fund. If any portion of the tax levy under RCW 41.16.060 has been reduced, in whole or in part, or if the levy is being used for any other municipal purpose, the city or town is not eligible for a distribution under (a) of this subsection.

(c) The secretary of the firefighters' pension board of each city, town, and fire protection district under the provisions of this chapter on the effective date of this section shall by the thirtieth day of each January certify to the state treasurer the number of firefighters eligible to receive benefits from its fund in the preceding calendar year, the total amount of benefits paid from the fund, the moneys deposited into the fund to maintain its actuarial soundness, and the total amount of moneys collected from the tax levy under RCW 41.16.060 the preceding calendar year. To assist the state treasurer, the department of revenue must audit the tax levy information provided by the city or town by the first business day of May.

(d) If the state treasurer determines a distribution is due, the state treasurer shall by the first business day of June of each year deliver to the treasurer of each city, town, and fire protection district a warrant payable to each city, town, or fire protection district for the amount due under this section and the treasurer of each city, town, or fire protection district shall deposit the warrant into the firefighters' pension fund of such city, town, or fire protection district. If any amount remains after distributions to cities, towns, and fire protection districts, the state treasurer shall deposit the excess amount into the disaster response account in RCW 38.52.105.

(e) It is the intent of the legislature to continue the policy under this subsection during the 2019-2021 fiscal biennium as it investigates whether this distribution should continue or be modified or terminated.

**Sec.**  RCW 41.26.450 and 2000 c 247 s 801 are each amended to read as follows:

(1) Port districts established under Title 53 RCW and institutions of higher education as defined in RCW 28B.10.016 shall contribute both the employer and state shares of the cost of the retirement system for any of their employees who are law enforcement officers.

(2) Institutions of higher education shall contribute both the employer and the state shares of the cost of the retirement system for any of their employees who are firefighters.

(3) Except for fire protection districts under Title 52 RCW, during the 2017-2019 fiscal biennium, the employer shall contribute both the employer and state shares of the cost of the retirement system for any of its employees who are members of the Washington law enforcement officers' and firefighters' retirement system. It is the intent of the legislature that this policy will be continued in subsequent biennia.

**Sec.**  RCW 41.26.725 and 2003 c 93 s 1 are each amended to read as follows:

(1)(a) The board of trustees shall establish contributions as set forth in this section. Except as provided in (b) of this subsection the cost of the minimum benefits as defined in this plan shall be funded on the following ratio:

|  |  |
| --- | --- |
| Employee contributions | 50% |
| Employer contributions | 30% |
| State contributions | 20% |

(b) During the 2017-2019 fiscal biennium, except for employers that are fire protection districts formed under Title 52 RCW, the cost of the minimum benefits as defined in this plan shall be funded on the following ratio: Employer contributions shall be fifty percent and employee contributions shall be fifty percent. It is the intent of the legislature that this policy will be continued in subsequent biennia.

(2) The minimum benefits shall constitute a contractual obligation of the state and the contributing employers and may not be reduced below the levels in effect on July 1, 2003. The state and the contributing employers shall maintain the minimum benefits on a sound actuarial basis in accordance with the actuarial standards adopted by the board.

(3) Increased benefits created as provided for in RCW 41.26.720 are granted on a basis not to exceed the contributions provided for in this section. In addition to the contributions necessary to maintain the minimum benefits, for any increased benefits provided for by the board, the employee contribution shall not exceed fifty percent of the actuarial cost of the benefit. In no instance shall the employee cost exceed ten percent of covered payroll without the consent of a majority of the affected employees. Employer contributions shall not exceed thirty percent of the cost, but in no instance shall the employer contribution exceed six percent of covered payroll. State contributions shall not exceed twenty percent of the cost, but in no instance shall the state contribution exceed four percent of covered payroll. Employer contributions may not be increased above the maximum under this section without the consent of the governing body of the employer. State contributions may not be increased above the maximum provided for in this section without the consent of the legislature. In the event that the cost of maintaining the increased benefits on a sound actuarial basis exceeds the aggregate contributions provided for in this section, the board shall submit to the affected members of the plan the option of paying the increased costs or of having the increased benefits reduced to a level sufficient to be maintained by the aggregate contributions. The reduction of benefits in accordance with this section shall not be deemed a violation of the contractual rights of the members, provided that no reduction may result in benefits being lower than the level of the minimum benefits.

(4) The board shall manage the trust in a manner that maintains reasonable contributions and administrative costs. Providing additional benefits to members and beneficiaries is the board's priority.

**Sec.**  RCW 41.26.802 and 2015 3rd sp.s. c 4 s 950 are each amended to read as follows:

(1) By September 30, 2011, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer five million dollars to the local public safety enhancement account.

(2) By September 30, ((~~2017~~)) 2019, and by September 30 of each odd‑numbered year thereafter, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer the lesser of one‑third of the increase, or fifty million dollars, to the local public safety enhancement account.

(3) It is the intent of the legislature to fund any distribution in 2019 dedicated to the local law enforcement officers' and firefighters' retirement system benefits improvement account through alternate means, which may include transfers from the law enforcement officers' and firefighters' plan 2 retirement fund.

**Sec.**  RCW 41.50.110 and 2015 3rd sp.s. c 4 s 951 are each amended to read as follows:

(1) Except as provided by RCW 41.50.255 and subsection (6) of this section, all expenses of the administration of the department, the expenses of administration of the retirement systems, and the expenses of the administration of the office of the state actuary created in chapters 2.10, 2.12, 28B.10, 41.26, 41.32, 41.40, 41.34, 41.35, 41.37, 43.43, and 44.44 RCW shall be paid from the department of retirement systems expense fund.

(2) In order to reimburse the department of retirement systems expense fund on an equitable basis the department shall ascertain and report to each employer, as defined in RCW 28B.10.400, 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, the sum necessary to defray its proportional share of the entire expense of the administration of the retirement system that the employer participates in during the ensuing biennium or fiscal year whichever may be required. Such sum is to be computed in an amount directly proportional to the estimated entire expense of the administration as the ratio of monthly salaries of the employer's members bears to the total salaries of all members in the entire system. It shall then be the duty of all such employers to include in their budgets or otherwise provide the amounts so required.

(3)(a) Except as provided in (b) of this subsection, the department shall compute and bill each employer, as defined in RCW 28B.10.400, 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, at the end of each month for the amount due for that month to the department of retirement systems expense fund and the same shall be paid as are its other obligations. Such computation as to each employer shall be made on a percentage rate of salary established by the department. However, the department may at its discretion establish a system of billing based upon calendar year quarters in which event the said billing shall be at the end of each such quarter.

(b) During the 2017-2019 fiscal biennium, the department shall not bill employers. It is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.

(4) The director may adjust the expense fund contribution rate for each system at any time when necessary to reflect unanticipated costs or savings in administering the department.

(5) An employer who fails to submit timely and accurate reports to the department may be assessed an additional fee related to the increased costs incurred by the department in processing the deficient reports. Fees paid under this subsection shall be deposited in the retirement system expense fund.

(a) Every six months the department shall determine the amount of an employer's fee by reviewing the timeliness and accuracy of the reports submitted by the employer in the preceding six months. If those reports were not both timely and accurate the department may prospectively assess an additional fee under this subsection.

(b) An additional fee assessed by the department under this subsection shall not exceed fifty percent of the standard fee.

(c) The department shall adopt rules implementing this section.

(6) Expenses other than those under RCW 41.34.060(4) shall be paid pursuant to subsection (1) of this section.

(7) During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer from the department of retirement systems' expense fund to the state general fund such amounts as reflect the excess fund balance of the fund. During the 2015-2017 fiscal biennium, state contributions to the judicial retirement system may be made in part by appropriations from the department of retirement systems expense fund.

**Sec.**  RCW 41.50.255 and 2004 c 242 s 49 are each amended to read as follows:

(1)(a) The director is authorized to pay from the interest earnings of the trust funds of the public employees' retirement system, the teachers' retirement system, the Washington state patrol retirement system, the Washington judicial retirement system, the judges' retirement system, the school employees' retirement system, the public safety employees' retirement system, or the law enforcement officers' and firefighters' retirement system lawful obligations of the appropriate system for legal expenses and medical expenses which expenses are primarily incurred for the purpose of protecting the appropriate trust fund or are incurred in compliance with statutes governing such funds.

(b) The term "legal expense" includes, but is not limited to, legal services provided through the legal services revolving fund, fees for expert witnesses, travel expenses, fees for court reporters, cost of transcript preparation, and reproduction of documents.

(c) The term "medical costs" includes, but is not limited to, expenses for the medical examination or reexamination of members or retirees, the costs of preparation of medical reports, and fees charged by medical professionals for attendance at discovery proceedings or hearings.

(d) The director may also pay from the interest earnings of the trust funds specified in this section costs incurred in investigating fraud and collecting overpayments, including expenses incurred to review and investigate cases of possible fraud against the trust funds and collection agency fees and other costs incurred in recovering overpayments. Recovered funds must be returned to the appropriate trust funds.

(2)(a) During the 2017-2019 fiscal biennium, all expenses of the administration of the department, the expenses of administration of the retirement systems, and the expenses of the administration of the office of the state actuary created in chapters 2.10, 2.12, 28B.10, 41.26, 41.32, 41.40, 41.35, 41.37, 43.43, and 44.44 RCW shall be paid from interest earnings of the funds specified in this section.

(b) By the fifteenth of each month during the 2017-2019 fiscal biennium, the treasurer shall transfer $4,903,000 from the interest earnings of the funds specified in this section to the department of retirement systems expense fund.

(c) Transfers under this subsection must be based on the proportional share to each system as identified under RCW 41.50.110(2). The calculation of proportional share shall not include amounts for any defined contribution plans.

(d) It is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.

**Sec.**  RCW 41.60.050 and 2015 3rd sp.s. c 4 s 952 are each amended to read as follows:

The legislature shall appropriate from the personnel service fund for the payment of administrative costs of the productivity board. However, during the ((~~2013-2015 and~~)) 2015-2017 and 2017-2019 fiscal biennia, the operations of the productivity board shall be suspended.

**Sec.**  RCW 41.80.010 and 2016 sp.s. c 36 s 923 are each amended to read as follows:

(1) For the purpose of negotiating collective bargaining agreements under this chapter, the employer shall be represented by the governor or governor's designee, except as provided for institutions of higher education in subsection (4) of this section.

(2)(a) If an exclusive bargaining representative represents more than one bargaining unit, the exclusive bargaining representative shall negotiate with each employer representative as designated in subsection (1) of this section one master collective bargaining agreement on behalf of all the employees in bargaining units that the exclusive bargaining representative represents. For those exclusive bargaining representatives who represent fewer than a total of five hundred employees each, negotiation shall be by a coalition of all those exclusive bargaining representatives. The coalition shall bargain for a master collective bargaining agreement covering all of the employees represented by the coalition. The governor's designee and the exclusive bargaining representative or representatives are authorized to enter into supplemental bargaining of agency-specific issues for inclusion in or as an addendum to the master collective bargaining agreement, subject to the parties' agreement regarding the issues and procedures for supplemental bargaining. This section does not prohibit cooperation and coordination of bargaining between two or more exclusive bargaining representatives.

(b) This subsection (2) does not apply to exclusive bargaining representatives who represent employees of institutions of higher education, except when the institution of higher education has elected to exercise its option under subsection (4) of this section to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(c) If five hundred or more employees of an independent state elected official listed in RCW 43.01.010 are organized in a bargaining unit or bargaining units under RCW 41.80.070, the official shall be consulted by the governor or the governor's designee before any agreement is reached under (a) of this subsection concerning supplemental bargaining of agency specific issues affecting the employees in such bargaining unit.

(3) The governor shall submit a request for funds necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreement or for legislation necessary to implement the agreement. Requests for funds necessary to implement the provisions of bargaining agreements shall not be submitted to the legislature by the governor unless such requests:

(a) Have been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the requests are to be considered; and

(b) Have been certified by the director of the office of financial management as being feasible financially for the state.

The legislature shall approve or reject the submission of the request for funds as a whole. The legislature shall not consider a request for funds to implement a collective bargaining agreement unless the request is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement or the exclusive bargaining representative may seek to implement the procedures provided for in RCW 41.80.090.

(4)(a)(i) For the purpose of negotiating agreements for institutions of higher education, the employer shall be the respective governing board of each of the universities, colleges, or community colleges or a designee chosen by the board to negotiate on its behalf.

(ii) A governing board of a university or college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section, except that:

(A) The governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of a university or college that the representative represents; or

(B) If the parties mutually agree, the governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of more than one university or college that the representative represents.

(iii) A governing board of a community college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(b) Prior to entering into negotiations under this chapter, the institutions of higher education or their designees shall consult with the director of the office of financial management regarding financial and budgetary issues that are likely to arise in the impending negotiations.

(c)(i) In the case of bargaining agreements reached between institutions of higher education other than the University of Washington and exclusive bargaining representatives agreed to under the provisions of this chapter, if appropriations are necessary to implement the compensation and fringe benefit provisions of the bargaining agreements, the governor shall submit a request for such funds to the legislature according to the provisions of subsection (3) of this section, except as provided in (c)(iii) of this subsection.

(ii) In the case of bargaining agreements reached between the University of Washington and exclusive bargaining representatives agreed to under the provisions of this chapter, if appropriations are necessary to implement the compensation and fringe benefit provisions of a bargaining agreement, the governor shall submit a request for such funds to the legislature according to the provisions of subsection (3) of this section, except as provided in this subsection (4)(c)(ii) and as provided in (c)(iii) of this subsection.

(A) If appropriations of less than ten thousand dollars are necessary to implement the provisions of a bargaining agreement, a request for such funds shall not be submitted to the legislature by the governor unless the request has been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the request is to be considered.

(B) If appropriations of ten thousand dollars or more are necessary to implement the provisions of a bargaining agreement, a request for such funds shall not be submitted to the legislature by the governor unless the request:

(I) Has been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the request is to be considered; and

(II) Has been certified by the director of the office of financial management as being feasible financially for the state.

(C) If the director of the office of financial management does not certify a request under (c)(ii)(B) of this subsection as being feasible financially for the state, the parties shall enter into collective bargaining solely for the purpose of reaching a mutually agreed upon modification of the agreement necessary to address the absence of those requested funds. The legislature may act upon the compensation and fringe benefit provisions of the modified collective bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.

(iii) In the case of a bargaining unit of employees of institutions of higher education in which the exclusive bargaining representative is certified during or after the conclusion of a legislative session, the legislature may act upon the compensation and fringe benefit provisions of the unit's initial collective bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.

(5) There is hereby created a joint committee on employment relations, which consists of two members with leadership positions in the house of representatives, representing each of the two largest caucuses; the chair and ranking minority member of the house appropriations committee, or its successor, representing each of the two largest caucuses; two members with leadership positions in the senate, representing each of the two largest caucuses; and the chair and ranking minority member of the senate ways and means committee, or its successor, representing each of the two largest caucuses. The governor shall periodically consult with the committee regarding appropriations necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreements, and upon completion of negotiations, advise the committee on the elements of the agreements and on any legislation necessary to implement the agreements.

(6) If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

(7) After the expiration date of a collective bargaining agreement negotiated under this chapter, all of the terms and conditions specified in the collective bargaining agreement remain in effect until the effective date of a subsequently negotiated agreement, not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement according to law.

(8) For the ((~~2013-2015~~)) 2017-2019 fiscal biennium, a collective bargaining agreement related to employee health care benefits negotiated between the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee shall be a separate agreement for which the governor may request funds necessary to implement the agreement. ((~~The legislature may act upon a 2013-2015 collective bargaining agreement related to employee health care benefits if an agreement is reached and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating appropriations act by the sitting legislature.~~))

(9)(a) For the 2015-2017 fiscal biennium, the governor may request funds to implement:

(i) Modifications to collective bargaining agreements as set forth in a memorandum of understanding negotiated between the employer and the service employees international union healthcare 1199nw, an exclusive bargaining representative, that was necessitated by an emergency situation or an imminent jeopardy determination by the center for medicare and medicaid services that relates to the safety or health of the clients, employees, or both the clients and employees.

(ii) Unilaterally implemented modifications to collective bargaining agreements, resulting from the employer being prohibited from negotiating with an exclusive bargaining representative due to a pending representation petition, necessitated by an emergency situation or an imminent jeopardy determination by the center for medicare and medicaid services that relates to the safety or health of the clients, employees, or both the clients and employees.

(iii) Modifications to collective bargaining agreements as set forth in a memorandum of understanding negotiated between the employer and the union of physicians of Washington, an exclusive bargaining representative, that was necessitated by an emergency situation or an imminent jeopardy determination by the center for medicare and medicaid services that relates to the safety or health of the clients, employees, or both the clients and employees. If the memorandum of understanding submitted to the legislature as part of the governor's budget document is rejected by the legislature, and the parties reach a new memorandum of understanding by June 30, 2016, within the funds, conditions, and limitations provided in section 204, chapter 36, Laws of 2016 sp. sess., the new memorandum of understanding shall be considered approved by the legislature and may be retroactive to December 1, 2015.

(iv) Modifications to collective bargaining agreements as set forth in a memorandum of understanding negotiated between the employer and the teamsters union local 117, an exclusive bargaining representative, for salary adjustments for the state employee job classifications of psychiatrist, psychiatric social worker((~~[,]~~)), and psychologist.

(b) For the 2015-2017 fiscal biennium, the legislature may act upon the request for funds for modifications to a 2015-2017 collective bargaining agreement under (a)(i), (ii), (iii), and (iv) of this subsection if funds are requested by the governor before final legislative action on the supplemental omnibus appropriations act by the sitting legislature.

(c) The request for funding made under this subsection and any action by the legislature taken pursuant to this subsection is limited to the modifications described in this subsection and may not otherwise affect the original terms of the 2015-2017 collective bargaining agreement.

(d) ((~~Subsections [Subsection]~~)) Subsection (3)(a) and (b) of this section do not apply to requests for funding made pursuant to this subsection.

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

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

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

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

(b) Any retirement system or retirement benefit; or

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

(3) Matters subject to bargaining include the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits. However, except as provided otherwise in this subsection for institutions of higher education, negotiations regarding the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits shall be conducted between the employer and one coalition of all the exclusive bargaining representatives subject to this chapter. The exclusive bargaining representatives for employees that are subject to chapter 47.64 RCW shall bargain the dollar amount expended on behalf of each employee for health care benefits with the employer as part of the coalition under this subsection. Any such provision agreed to by the employer and the coalition shall be included in all master collective bargaining agreements negotiated by the parties. For institutions of higher education, promotional preferences and the number of names to be certified for vacancies shall be bargained under the provisions of RCW 41.80.010(4). For agreements covering the ((~~2013-2015~~)) 2017-2019 fiscal biennium, any agreement between the employer and the coalition regarding the dollar amount expended on behalf of each employee for health care benefits is a separate agreement and shall not be included in the master collective bargaining agreements negotiated by the parties.

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

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

(6) Except as otherwise provided in this chapter, if a conflict exists between an executive order, administrative rule, or agency policy relating to wages, hours, and terms and conditions of employment and a collective bargaining agreement negotiated under this chapter, the collective bargaining agreement shall prevail. A provision of a collective bargaining agreement that conflicts with the terms of a statute is invalid and unenforceable.

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

**Sec.**  RCW 43.08.190 and 2015 3rd sp.s. c 4 s 953 are each amended to read as follows:

There is hereby created a fund within the state treasury to be known as the "state treasurer's service fund." Such fund shall be used solely for the payment of costs and expenses incurred in the operation and administration of the state treasurer's office.

Moneys shall be allocated monthly and placed in the state treasurer's service fund equivalent to a maximum of one percent of the trust and treasury average daily cash balances from the earnings generated under the authority of RCW 43.79A.040 and 43.84.080 other than earnings generated from investment of balances in funds and accounts specified in RCW 43.79A.040(4)(c). The allocation shall precede the distribution of the remaining earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state treasurer shall establish a uniform allocation rate for all funds and accounts; except that the state treasurer may negotiate a different allocation rate with any state agency that has independent authority over funds not statutorily required to be held in the state treasury or in the custody of the state treasurer. In no event shall the rate be less than the actual costs incurred by the state treasurer's office. If no rate is separately negotiated, the default rate for any funds held shall be the rate set for funds held pursuant to statute.

During the 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the state treasurer's service fund to the state general fund such amounts as reflect the excess fund balance of the fund. During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of money in the state treasurer's service fund to the state general fund.

**Sec.**  RCW 43.09.475 and 2016 sp.s. c 36 s 925 are each amended to read as follows:

The performance audits of government account is hereby created in the custody of the state treasurer. Revenue identified in RCW 82.08.020(5) and 82.12.0201 shall be deposited in the account. Money in the account shall be used to fund the performance audits and follow-up performance audits under RCW 43.09.470 and shall be expended by the state auditor in accordance with chapter 1, Laws of 2006. Only the state auditor or the state auditor'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. During the 2013‑2015 ((~~and~~)), 2015-2017, and 2017-2019 fiscal biennia, the performance audits of government account may be appropriated for the joint legislative audit and review committee((~~,~~)); the legislative evaluation and accountability program committee((~~,~~)); the office of financial management((~~,~~)); the superintendent of public instruction((~~, and~~)); lean performance management systems, excellence assessments and zero-based budget reviews in state agencies; audits of school districts; and election costs in the office of the secretary of state. In addition, during the ((~~2013-2015 and~~)) 2015-2017 and 2017-2019 fiscal biennia the account may be used to fund the office of financial management's contract for the compliance audit of the state auditor and audit activities at the department of revenue. In addition, during the 2015-2017 fiscal biennium, the legislature may transfer from the performance audits of government account to the state general fund such amounts as reflect the excess fund balance of the fund.

**Sec.**  RCW 43.24.150 and 2013 2nd sp.s. c 4 s 978 are each amended to read as follows:

(1) The business and professions account is created in the state treasury. All receipts from business or professional licenses, registrations, certifications, renewals, examinations, or civil penalties assessed and collected by the department from the following chapters must be deposited into the account:

(a) Chapter 18.11 RCW, auctioneers;

(b) Chapter 18.16 RCW, cosmetologists, hair designers, barbers, ((~~and~~)) manicurists, and estheticians;

(c) Chapter 18.145 RCW, court reporters;

(d) Chapter 18.165 RCW, private investigators;

(e) Chapter 18.170 RCW, security guards;

(f) Chapter 18.185 RCW, bail bond agents;

(g) Chapter 18.280 RCW, home inspectors;

(h) Chapter 19.16 RCW, collection agencies;

(i) Chapter 19.31 RCW, employment agencies;

(j) Chapter 19.105 RCW, camping resorts;

(k) Chapter 19.138 RCW, sellers of travel;

(l) Chapter 42.44 RCW, notaries public;

(m) Chapter 64.36 RCW, timeshares;

(n) Chapter 67.08 RCW, boxing, martial arts, and wrestling;

(o) Chapter 18.300 RCW, body art, body piercing, and tattooing;

(p) Chapter 79A.60 RCW, whitewater river outfitters;

(q) Chapter 19.158 RCW, commercial telephone solicitation; and

(r) Chapter 19.290 RCW, scrap metal businesses.

Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for expenses incurred in carrying out these business and professions licensing activities of the department. Any residue in the account must be accumulated and may not revert to the general fund at the end of the biennium. However, during the 2013-2015 fiscal biennium the legislature may transfer to the state general fund such amounts as reflect the excess fund balance in the account.

(2) The director must biennially prepare a budget request based on the anticipated costs of administering the business and professions licensing activities listed in subsection (1) of this section, which must include the estimated income from these business and professions fees.

(3) During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the business and professions account to the state general fund.

**Sec.**  RCW 43.41.450 and 2016 sp.s. c 36 s 927 are each amended to read as follows:

The office of financial management central service account is created in the state treasury. The account is to be used by the office as a revolving fund for the payment of salaries, wages, and other costs required for the operation and maintenance of statewide budgeting, accounting, forecasting, and functions and activities in the office. All receipts from agency fees and charges for services collected from public agencies must be deposited into the account. The director shall fix the terms and charges to agencies based on each agency's share of the office statewide cost allocation plan for federal funds. Moneys in the account may be spent only after appropriation. During the 2017-2019 fiscal biennium, the account may be used as a revolving fund for the payment of salaries, wages, and other costs related to policy activities in the office. The legislature intends to continue the use of the revolving fund for policy activities during the 2019-2021 biennium.

**Sec.**  RCW 43.43.839 and 2016 sp.s. c 36 s 928 are each amended to read as follows:

The fingerprint identification account is created in the custody of the state treasurer. All receipts from incremental charges of fingerprint checks requested for noncriminal justice purposes and electronic background requests shall be deposited in the account. Receipts for fingerprint checks by the federal bureau of investigation may also be deposited in the account. Expenditures from the account may be used only for the cost of record checks. Only the chief of the state patrol or the chief's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW. No appropriation is required for expenditures prior to July 1, 1997. After June 30, 1997, the account shall be subject to appropriation. ((~~During the 2009-2011 fiscal biennium, the legislature may transfer from the fingerprint identification account to the state general fund such amounts as reflect the excess fund balance of the account. During the 2013-2015 fiscal biennium, funds in the account may be used for expenditures that support the criminal records management division of the state patrol.~~)) During the 2015-2017 and 2017-2019 fiscal ((~~biennium~~)) biennia, funds in the account may be used for expenditures related to the upgrade of the state patrol's criminal history system. During the 2015-2017 fiscal biennium, the legislature may transfer from the fingerprint identification account to the sexual assault kit account and the account may be used for building the sexual assault kit tracking system in such amounts as reflect the excess fund balance of the account. During the 2017-2019 fiscal biennium, the account may be used for building the sexual assault kit tracking system.

**Sec.**  RCW 43.79.445 and 2016 sp.s. c 36 s 931 are each amended to read as follows:

There is established an account in the state treasury referred to as the "death investigations account" which shall exist for the purpose of receiving, holding, investing, and disbursing funds appropriated or provided in RCW 70.58.107 and any moneys appropriated or otherwise provided thereafter.

Moneys in the death investigations account shall be disbursed by the state treasurer once every year on December 31 and at any other time determined by the treasurer. The treasurer shall make disbursements to: The state toxicology laboratory, counties for the cost of autopsies, the state patrol for providing partial funding for the state dental identification system, the criminal justice training commission for training county coroners, medical examiners and their staff, and the state forensic investigations council. Funds from the death investigations account may be appropriated during the 2013-2015 fiscal biennium for the activities of the state crime laboratory within the Washington state patrol. ((~~During the 2015-2017 fiscal biennium, the legislature may transfer from the death investigations account to the sexual assault kit account such amounts as reflect the excess fund balance of the account.~~)) In addition, during the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the death investigations account to the state general fund.

**Sec.**  RCW 43.79.460 and 2016 sp.s. c 36 s 932 are each amended to read as follows:

(1) The savings incentive account is created in the custody of the state treasurer. The account shall consist of all moneys appropriated to the account by the legislature. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures from the account.

(2) Within the savings incentive account, the state treasurer may create subaccounts to be credited with incentive savings attributable to individual state agencies, as determined by the office of financial management in consultation with the legislative fiscal committees. Moneys deposited in the subaccounts may be expended only on the authorization of the agency's executive head or designee and only for the purpose of one-time expenditures to improve the quality, efficiency, and effectiveness of services to customers of the state, such as one-time expenditures for employee training, employee incentives, technology improvements, new work processes, or performance measurement. Funds may not be expended from the account to establish new programs or services, expand existing programs or services, or incur ongoing costs that would require future expenditures.

(3) For purposes of this section, "incentive savings" means state general fund appropriations that are unspent as of June 30th of a fiscal year, excluding any amounts included in across-the-board reductions under RCW 43.88.110 and excluding unspent appropriations for:

(a) Caseload and enrollment in entitlement programs, except to the extent that an agency has clearly demonstrated that efficiencies have been achieved in the administration of the entitlement program. "Entitlement program," as used in this section, includes programs for which specific sums of money are appropriated for pass-through to third parties or other entities;

(b) Enrollments in state institutions of higher education;

(c) Except for fiscal year 2011, a specific amount contained in a condition or limitation to an appropriation in the biennial appropriations act, if the agency did not achieve the specific purpose or objective of the condition or limitation;

(d) Debt service on state obligations; and

(e) State retirement system obligations.

(4) The office of financial management, after consulting with the legislative fiscal committees, shall report the amount of savings incentives achieved.

(5) For fiscal year 2010, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2009. For fiscal year 2011, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2010. For fiscal year 2011, the legislature may transfer from the savings incentive account to the state general fund eight million dollars or as much as reflects the fund balance of the account attributable to unspent agency credits prior to fiscal year 2009. Credits for legislative and judicial agencies are not included in this action, with the exception and upon consent of the supreme court, court of appeals, office of public defense, and office of civil legal aid.

(6) For fiscal years 2012 and 2013, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent general fund appropriations for fiscal years 2011 and 2012.

(7) For fiscal year 2016, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent agency credit. Credits for legislative and judicial agencies are not included in this action.

(8) For the 2017-2019 fiscal biennium, the joint legislative audit and review committee and the legislative evaluation and accountability program committee may use moneys deposited in their subaccounts for one-time costs related to their office relocation to the 1063 building.

**Sec.**  RCW 43.79.480 and 2015 3rd sp.s. c 4 s 956 are each amended to read as follows:

(1) Moneys received by the state of Washington in accordance with the settlement of the state's legal action against tobacco product manufacturers, exclusive of costs and attorneys' fees, shall be deposited in the tobacco settlement account created in this section except as these moneys are sold or assigned under chapter 43.340 RCW.

(2) The tobacco settlement account is created in the state treasury. Moneys in the tobacco settlement account may only be transferred to the state general fund, and to the tobacco prevention and control account for purposes set forth in this section. The legislature shall transfer amounts received as strategic contribution payments as defined in RCW 43.350.010 to the life sciences discovery fund created in RCW 43.350.070. During the 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer less than the entire strategic contribution payments, and may transfer amounts attributable to strategic contribution payments into the state general fund.

(3) The tobacco prevention and control account is created in the state treasury. The source of revenue for this account is moneys transferred to the account from the tobacco settlement account, investment earnings, donations to the account, and other revenues as directed by law. Expenditures from the account are subject to appropriation. During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the tobacco prevention and control account to the state general fund.

**Sec.**  RCW 43.101.200 and 2015 3rd sp.s. c 4 s 957 are each amended to read as follows:

(1) All law enforcement personnel, except volunteers, and reserve officers whether paid or unpaid, initially employed on or after January 1, 1978, shall engage in basic law enforcement training which complies with standards adopted by the commission pursuant to RCW 43.101.080. For personnel initially employed before January 1, 1990, such training shall be successfully completed during the first fifteen months of employment of such personnel unless otherwise extended or waived by the commission and shall be requisite to the continuation of such employment. Personnel initially employed on or after January 1, 1990, shall commence basic training during the first six months of employment unless the basic training requirement is otherwise waived or extended by the commission. Successful completion of basic training is requisite to the continuation of employment of such personnel initially employed on or after January 1, 1990.

(2) Except as otherwise provided in this chapter, the commission shall provide the aforementioned training together with necessary facilities, supplies, materials, and the board and room of noncommuting attendees for seven days per week, except during the ((~~2013~~-~~2015 and~~)) 2015-2017 and 2017-2019 fiscal biennia when the employing, county, city, or state law enforcement agency shall reimburse the commission for twenty-five percent of the cost of training its personnel. Additionally, to the extent funds are provided for this purpose, the commission shall reimburse to participating law enforcement agencies with ten or less full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training: PROVIDED, That such reimbursement shall include only the actual cost of temporary replacement not to exceed the total amount of salary and benefits received by the replaced officer during his or her training period.

**Sec.**  RCW 43.155.050 and 2015 3rd sp.s. c 4 s 959 and 2015 3rd sp.s. c 3 s 7032 are each reenacted and amended to read as follows:

The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works projects. Moneys in the account may also be appropriated to provide for state match requirements under federal law for projects and activities conducted and financed by the board under the drinking water assistance account. Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. During the 2015-2017 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund, the water pollution control revolving account, and the drinking water assistance account such amounts as reflect the excess fund balance of the account. ((~~During the 2013-2015 fiscal biennium, the legislature may transfer from the public works assistance account to the education legacy trust account such amounts as specified by the legislature.~~)) During the 2015-2017 and 2017-2019 fiscal ((~~biennium~~)) biennia, the legislature may appropriate moneys from the account for activities related to the growth management act and the voluntary stewardship program. During the 2015-2017 fiscal biennium, the legislature may transfer from the public works assistance account to the state general fund such amounts as specified by the legislature. ((~~In the 2017-2019 fiscal biennium the legislature intends to allocate seventy-three million dollars of future loan repayments paid into the public works assistance account to support basic education.~~)) During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the public works assistance account to the education legacy trust account. It is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.

**Sec.**  RCW 43.320.110 and 2015 3rd sp.s. c 4 s 960 are each amended to read as follows:

There is created a local fund known as the "financial services regulation fund" which shall consist of all moneys received by the divisions of the department of financial institutions, except for the division of securities which shall deposit thirteen percent of all moneys received, except as provided in RCW 43.320.115, and which shall be used for the purchase of supplies and necessary equipment; the payment of salaries, wages, and utilities; the establishment of reserves; and other incidental costs required for the proper regulation of individuals and entities subject to regulation by the department. The state treasurer shall be the custodian of the fund. Disbursements from the fund shall be on authorization of the director of financial institutions or the director's designee. In order to maintain an effective expenditure and revenue control, the fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

During the 2015-2017 fiscal biennium, the legislature may transfer from the financial services regulation fund to the state general fund such amounts as reflect the excess fund balance of the fund. During the 2015-2017 and 2017-2019 fiscal ((~~biennium~~)) biennia, moneys from the financial services regulation fund may be appropriated for the family prosperity account program at the department of commerce and for the operations of the department of revenue.

**Sec.**  RCW 43.330.250 and 2015 3rd sp.s. c 4 s 962 are each amended to read as follows:

(1) The economic development strategic reserve account is created in the state treasury to be used only for the purposes of this section.

(2) Only the governor, with the recommendation of the director of the department of commerce, may authorize expenditures from the account.

(3) During the 2009-2011 and 2011-2013 fiscal biennia, moneys in the account may also be transferred into the state general fund.

(4) Expenditures from the account may be made to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, or to recruit a business or facility to the state. Expenditures may be authorized for:

(a) Workforce development;

(b) Public infrastructure needed to support or sustain the operations of the business or facility;

(c) Other lawfully provided assistance((~~,~~)) including, but not limited to, technical assistance, environmental analysis, relocation assistance, and planning assistance. Funding may be provided for such assistance only when it is in the public interest and may only be provided under a contractual arrangement ensuring that the state will receive appropriate consideration, such as an assurance of job creation or retention; and

(d) The joint center for aerospace technology innovation.

(5) The funds shall not be expended from the account unless:

(a) The circumstances are such that time does not permit the director of the department of commerce or the business or facility to secure funding from other state sources;

(b) The business or facility produces or will produce significant long-term economic benefits to the state, a region of the state, or a particular community in the state;

(c) The business or facility does not require continuing state support;

(d) The expenditure will result in new jobs, job retention, or higher incomes for citizens of the state;

(e) The expenditure will not supplant private investment; and

(f) The expenditure is accompanied by private investment.

(6) No more than three million dollars per year may be expended from the account for the purpose of assisting an individual business or facility pursuant to the authority specified in this section.

(7) If the account balance in the strategic reserve account exceeds fifteen million dollars at any time, the amount in excess of fifteen million dollars shall be transferred to the education construction account.

(8) During the 2015-2017 and 2017-2019 fiscal ((~~biennium~~)) biennia, the legislature may appropriate moneys from the account to fund ((~~economic development~~)) programs and grants at the department of commerce. It is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.

**Sec.**  RCW 50.16.010 and 2016 sp.s. c 36 s 940 are each amended to read as follows:

(1) There shall be maintained as special funds, separate and apart from all public moneys or funds of this state an unemployment compensation fund and an administrative contingency fund, which shall be administered by the commissioner exclusively for the purposes of this title, and to which RCW 43.01.050 shall not be applicable.

(2)(a) The unemployment compensation fund shall consist of:

(i) All contributions collected under RCW 50.24.010 and payments in lieu of contributions collected pursuant to the provisions of this title;

(ii) Any property or securities acquired through the use of moneys belonging to the fund;

(iii) All earnings of such property or securities;

(iv) Any moneys received from the federal unemployment account in the unemployment trust fund in accordance with Title XII of the social security act, as amended;

(v) All money recovered on official bonds for losses sustained by the fund;

(vi) All money credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended;

(vii) All money received from the federal government as reimbursement pursuant to section 204 of the federal-state extended compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304);

(viii) The portion of the additional penalties as provided in RCW 50.20.070(2) that is fifteen percent of the amount of benefits overpaid or deemed overpaid; and

(ix) All moneys received for the fund from any other source.

(b) All moneys in the unemployment compensation fund shall be commingled and undivided.

(3)(a) Except as provided in (b) of this subsection, the administrative contingency fund shall consist of:

(i) All interest on delinquent contributions collected pursuant to this title;

(ii) All fines and penalties collected pursuant to the provisions of this title, except the portion of the additional penalties as provided in RCW 50.20.070(2) that is fifteen percent of the amount of benefits overpaid or deemed overpaid;

(iii) All sums recovered on official bonds for losses sustained by the fund; and

(iv) Revenue received under RCW 50.24.014.

(b) All fees, fines, forfeitures, and penalties collected or assessed by a district court because of the violation of this title or rules adopted under this title shall be remitted as provided in chapter 3.62 RCW.

(c) Except as provided in (d) of this subsection, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014, shall be expended upon the direction of the commissioner, with the approval of the governor, whenever it appears to him or her that such expenditure is necessary solely for:

(i) The proper administration of this title and that insufficient federal funds are available for the specific purpose to which such expenditure is to be made, provided, the moneys are not substituted for appropriations from federal funds which, in the absence of such moneys, would be made available.

(ii) The proper administration of this title for which purpose appropriations from federal funds have been requested but not yet received, provided, the administrative contingency fund will be reimbursed upon receipt of the requested federal appropriation.

(iii) The proper administration of this title for which compliance and audit issues have been identified that establish federal claims requiring the expenditure of state resources in resolution. Claims must be resolved in the following priority: First priority is to provide services to eligible participants within the state; second priority is to provide substitute services or program support; and last priority is the direct payment of funds to the federal government.

(d)(i) During the 2007-2009 fiscal biennium, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended as appropriated by the legislature for: (A) The cost of the job skills or worker retraining programs at the community and technical colleges and administrative costs at the state board for community and technical colleges; and (B) reemployment services such as business and project development assistance, local economic development capacity building, and local economic development financial assistance at the department of commerce. The remaining appropriation may be expended as specified in (c) of this subsection.

(ii) During the ((~~2013-2015 and~~)) 2015-2017 and 2017-2019 fiscal ((~~biennium [biennia]~~)) biennia, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended as appropriated by the legislature: (A) For the department of social and health services for employment and training services and programs in the WorkFirst program; (B) for the administrative costs of state agencies participating in the WorkFirst program; and (C) by the commissioner for the work group on agricultural and agricultural-related issues as provided in the 2013-2015 omnibus operating appropriations act. The remaining appropriation may be expended as specified in (c) of this subsection.

(4) Money in the special account created under RCW 50.24.014(1)(a) may only be expended, after appropriation, for the purposes specified in this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014, 50.44.053, and 50.22.010.

**Sec.**  RCW 69.50.540 and 2015 3rd sp.s. c 4 s 967 are each amended to read as follows:

The legislature must annually appropriate moneys in the dedicated marijuana account created in RCW 69.50.530 as follows:

(1) For the purposes listed in this subsection (1), the legislature must appropriate to the respective agencies amounts sufficient to make the following expenditures on a quarterly basis:

(a) Beginning July 1, 2015, one hundred twenty-five thousand dollars to the department of social and health services to design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and state liquor and cannabis board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use, peer rewarding of antisocial behavior, perceived risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington;

(b) Beginning July 1, 2015, fifty thousand dollars to the department of social and health services for the purpose of contracting with the Washington state institute for public policy to conduct the cost-benefit evaluation and produce the reports described in RCW 69.50.550. This appropriation ends after production of the final report required by RCW 69.50.550;

(c) Beginning July 1, 2015, five thousand dollars to the University of Washington alcohol and drug abuse institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by marijuana use;

(d) An amount not less than one million two hundred fifty thousand dollars to the state liquor and cannabis board for administration of this chapter as appropriated in the omnibus appropriations act;

(e) Twenty-three thousand seven hundred fifty dollars to the department of enterprise services provided solely for the state building code council established under RCW 19.27.070, to develop and adopt fire and building code provisions related to marijuana processing and extraction facilities. The distribution under this subsection (1)(e) is for fiscal year 2016 only;

(2) From the amounts in the dedicated marijuana account after appropriation of the amounts identified in subsection (1) of this section, the legislature must appropriate for the purposes listed in this subsection (2) as follows:

(a)(i) Up to fifteen percent to the department of social and health services division of behavioral health and recovery for the development, implementation, maintenance, and evaluation of programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the Diagnostic and Statistical Manual of Mental Disorders, among middle school and high school-age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women; PROVIDED, That:

(A) Of the funds appropriated under (a)(i) of this subsection for new programs and new services, at least eighty-five percent must be directed to evidence-based or research-based programs and practices that produce objectively measurable results and, by September 1, 2020, are cost-beneficial; and

(B) Up to fifteen percent of the funds appropriated under (a)(i) of this subsection for new programs and new services may be directed to proven and tested practices, emerging best practices, or promising practices.

(ii) In deciding which programs and practices to fund, the secretary of the department of social and health services must consult, at least annually, with the University of Washington's social development research group and the University of Washington's alcohol and drug abuse institute.

(iii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of twenty-seven million seven hundred eighty-six thousand dollars, and for each subsequent fiscal year thereafter, the legislature must appropriate a minimum of twenty-five million five hundred thirty-six thousand dollars under this subsection (2)(a);

(b)(i) Up to ten percent to the department of health for the following, subject to (b)(ii) of this subsection (2):

(A) Creation, implementation, operation, and management of a marijuana education and public health program that contains the following:

(I) A marijuana use public health hotline that provides referrals to substance abuse treatment providers, utilizes evidence-based or research-based public health approaches to minimizing the harms associated with marijuana use, and does not solely advocate an abstinence-only approach;

(II) A grants program for local health departments or other local community agencies that supports development and implementation of coordinated intervention strategies for the prevention and reduction of marijuana use by youth; and

(III) Media-based education campaigns across television, internet, radio, print, and out-of-home advertising, separately targeting youth and adults, that provide medically and scientifically accurate information about the health and safety risks posed by marijuana use;

(B) The Washington poison control center; and

(C) During the 2015-2017 fiscal biennium, the funds appropriated under this subsection (2)(b) may be used for prevention activities that target youth and populations with a high incidence of tobacco use.

(ii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of seven million five hundred thousand dollars and for each subsequent fiscal year thereafter, the legislature must appropriate a minimum of nine million seven hundred fifty thousand dollars under this subsection (2)(b);

(c)(i) Up to six-tenths of one percent to the University of Washington and four-tenths of one percent to Washington State University for research on the short and long-term effects of marijuana use, to include but not be limited to formal and informal methods for estimating and measuring intoxication and impairment, and for the dissemination of such research.

(ii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of two hundred seven thousand dollars and for each subsequent fiscal year, except for the 2017-2019 fiscal biennium, the legislature must appropriate a minimum of one million twenty-one thousand dollars to the University of Washington. For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of one hundred thirty-eight thousand dollars and for each subsequent fiscal year thereafter, except for the 2017-2019 fiscal biennium, a minimum of six hundred eighty-one thousand dollars to Washington State University under this subsection (2)(c);

(d) Fifty percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;

(e) Five percent to the Washington state health care authority to be expended exclusively through contracts with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;

(f)(i) Up to three-tenths of one percent to the office of the superintendent of public instruction to fund grants to building bridges programs under chapter 28A.175 RCW.

(ii) For the fiscal year beginning July 1, 2016, and each subsequent fiscal year, the legislature must appropriate a minimum of five hundred eleven thousand dollars to the office of the superintendent of public instruction under this subsection (2)(f); and

(g) At the end of each fiscal year, the treasurer must transfer any amounts in the dedicated marijuana account that are not appropriated pursuant to subsection (1) of this section and this subsection (2) into the general fund, except as provided in (g)(i) of this subsection (2).

(i) Beginning in fiscal year 2018, if marijuana excise tax collections deposited into the general fund in the prior fiscal year exceed twenty-five million dollars, then each fiscal year the legislature must appropriate an amount equal to thirty percent of all marijuana excise taxes deposited into the general fund the prior fiscal year to the treasurer for distribution to counties, cities, and towns as follows:

(A) Thirty percent must be distributed to counties, cities, and towns where licensed marijuana retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (2)(g)(i)(A) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed marijuana retailers physically located in each jurisdiction. For purposes of this subsection (2)(g)(i)(A), one hundred percent of the proportional amount attributed to a retailer physically located in a city or town must be distributed to the city or town.

(B) Seventy percent must be distributed to counties, cities, and towns ratably on a per capita basis. Counties must receive sixty percent of the distribution, which must be disbursed based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed marijuana producer, processor, or retailer.

(ii) Distribution amounts allocated to each county, city, and town must be distributed in four installments by the last day of each fiscal quarter.

(iii) By September 15th of each year, the state liquor and cannabis board must provide the state treasurer the annual distribution amount, if any, for each county and city as determined in (g)(i) of this subsection (2).

(iv) The total share of marijuana excise tax revenues distributed to counties and cities in (g)(i) of this subsection (2) may not exceed fifteen million dollars in fiscal years 2018 and 2019 and twenty million dollars per fiscal year thereafter.

For the purposes of this section, "marijuana products" means "useable marijuana," "marijuana concentrates," and "marijuana-infused products" as those terms are defined in RCW 69.50.101.

**Sec.**  RCW 70.93.180 and 2015 c 15 s 3 are each amended to read as follows:

(1) There is hereby created an account within the state treasury to be known as the waste reduction, recycling, and litter control account. Moneys in the account may be spent only after appropriation. Expenditures from the waste reduction, recycling, and litter control account shall be used as follows:

(a) Fifty percent to the department of ecology, for use by the departments of ecology, natural resources, revenue, transportation, and corrections, and the parks and recreation commission, for use in litter collection programs, to be distributed under RCW 70.93.220. The amount to the department of ecology shall also be used for a central coordination function for litter control efforts statewide; for statewide public awareness programs under RCW 70.93.200(7); and to support employment of youth in litter cleanup as intended in RCW 70.93.020, and for litter pick up using other authorized agencies. The amount to the department shall also be used to defray the costs of administering the funding, coordination, and oversight of local government programs for waste reduction, litter control, recycling, and composting so that local governments can apply one hundred percent of their funding to achieving program goals. The amount to the department of revenue shall be used to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

(b)(i) Twenty percent to the department for local government funding programs for waste reduction, litter control, recycling activities, and composting activities by cities and counties under RCW 70.93.250, to be administered by the department of ecology; (ii) any unspent funds under (b)(i) of this subsection may be used to create and pay for a matching fund competitive grant program to be used by local governments and nonprofit organizations for local or statewide education programs designed to help the public with litter control, waste reduction, recycling, and composting of primarily the products taxed under chapter 82.19 RCW. Grants must adhere to the following requirements: (A) No grant may exceed sixty thousand dollars; (B) grant recipients shall match the grant funding allocated by the department by an amount equal to twenty-five percent of eligible expenses. A local government's share of these costs may be met by cash or contributed services; (C) the obligation of the department to make grant payments is contingent upon the availability of the amount of money appropriated for this subsection (1)(b); and (D) grants are managed under the guidelines for existing grant programs; and

(c) Thirty percent to the department of ecology to: (i) Implement activities under RCW 70.93.200 for waste reduction, recycling, and composting efforts; (ii) provide technical assistance to local governments for commercial business and residential recycling programs primarily for the products taxed under chapter 82.19 RCW designed to educate citizens about waste reduction, litter control, and recyclable and compostable products and programs; and (iii) increase access to waste reduction, composting, and recycling programs, particularly for food packaging and plastic bags and appropriate composting techniques.

(2) All taxes imposed in RCW 82.19.010 and fines and bail forfeitures collected or received pursuant to this chapter shall be deposited in the waste reduction, recycling, and litter control account and used for the programs under subsection (1) of this section.

(3) Not less than five percent and no more than ten percent of the amount appropriated into the waste reduction, recycling, and litter control account every biennium shall be reserved for capital needs, including the purchase of vehicles for transporting crews and for collecting litter and solid waste. Capital funds shall be distributed among state agencies and local governments according to the same criteria provided in RCW 70.93.220 for the remainder of the funds, so that the most effective waste reduction, litter control, recycling, and composting programs receive the most funding. The intent of this subsection is to provide funds for the purchase of equipment that will enable the department to account for the greatest return on investment in terms of reaching a zero litter goal.

(4) Funds in the waste reduction, recycling, and litter control account, collected under chapter 82.19 RCW, must be prioritized for the products identified under RCW 82.19.020 solely for the purposes of recycling, composting, and litter collection, reduction, and control programs.

(5) During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the waste reduction, recycling, and litter control account to the state parks renewal and stewardship account.

**Sec.**  RCW 70.105D.070 and 2016 sp.s. c 36 s 943 are each amended to read as follows:

(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

(2)(a) Moneys collected under RCW 82.21.030 must be deposited as follows: Fifty-six percent to the state toxics control account under subsection (3) of this section and forty-four percent to the local toxics control account under subsection (4) of this section. When the cumulative amount of deposits made to the state and local toxics control accounts under this section reaches the limit during a fiscal year as established in (b) of this subsection, the remainder of the moneys collected under RCW 82.21.030 during that fiscal year must be deposited into the environmental legacy stewardship account created in RCW 70.105D.170.

(b) The limit on distributions of moneys collected under RCW 82.21.030 to the state and local toxics control accounts for the fiscal year beginning July 1, 2013, is one hundred forty million dollars.

(c) In addition to the funds required under (a) of this subsection, the following moneys must be deposited into the state toxics control account: (i) The costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (ii) penalties collected or recovered under this chapter; and (iii) any other money appropriated or transferred to the account by the legislature.

(3) Moneys in the state toxics control account must be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(a) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(b) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;

(c) The hazardous waste clean-up program required under this chapter;

(d) State matching funds required under federal cleanup law;

(e) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(f) State government programs for the safe reduction, recycling, or disposal of paint and hazardous wastes from households, small businesses, and agriculture;

(g) Oil and hazardous materials spill prevention, preparedness, training, and response activities;

(h) Water and environmental health protection and monitoring programs;

(i) Programs authorized under chapter 70.146 RCW;

(j) A public participation program;

(k) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both: (i) A substantially more expeditious or enhanced cleanup than would otherwise occur; and (ii) the prevention or mitigation of unfair economic hardship;

(l) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150;

(m) State agriculture and health programs for the safe use, reduction, recycling, or disposal of pesticides;

(n) Storm water pollution control projects and activities that protect or preserve existing remedial actions or prevent hazardous clean-up sites;

(o) Funding requirements to maintain receipt of federal funds under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et seq.);

(p) Air quality programs and actions for reducing public exposure to toxic air pollution;

(q) Public funding to assist prospective purchasers to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) if:

(i) The facility is located within a redevelopment opportunity zone designated under RCW 70.105D.150;

(ii) The amount and terms of the funding are established under a settlement agreement under RCW 70.105D.040(5); and

(iii) The director has found the funding meets any additional criteria established in rule by the department, will achieve a substantially more expeditious or enhanced cleanup than would otherwise occur, and will provide a public benefit in addition to cleanup commensurate with the scope of the public funding;

(r) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters;

(s) Appropriations to the local toxics control account or the environmental legacy stewardship account created in RCW 70.105D.170, if the legislature determines that priorities for spending exceed available funds in those accounts;

(t) During the ((~~2013-2015 and~~)) 2015-2017 and 2017-2019 fiscal biennia, the department of ecology's water quality, shorelands, environmental assessment, administration, and air quality programs;

(u) During the 2013-2015 fiscal biennium, actions at the state conservation commission to improve water quality for shellfish;

(v) During the 2013-2015 and 2015-2017 fiscal biennia, actions at the University of Washington for reducing ocean acidification;

(w) During the 2015-2017 and 2017-2019 fiscal ((~~biennium~~)) biennia, for the University of Washington Tacoma soil remediation project;

(x) For the 2013-2015 fiscal biennium, moneys in the state toxics control account may be spent on projects in section 3160, chapter 19, Laws of 2013 2nd sp. sess. and for transfer to the local toxics control account;

(y) For the 2013-2015 fiscal biennium, moneys in the state toxics control account may be transferred to the radioactive mixed waste account; and

(z) For the 2015-2017 and 2017-2019 fiscal ((~~biennium~~)) biennia, forest practices regulation at the department of natural resources.

(4)(a) The department shall use moneys deposited in the local toxics control account for grants or loans to local governments for the following purposes in descending order of priority:

(i) Extended grant agreements entered into under (e)(i) of this subsection;

(ii) Remedial actions, including planning for adaptive reuse of properties as provided for under (e)(iv) of this subsection. The department must prioritize funding of remedial actions at:

(A) Facilities on the department's hazardous sites list with a high hazard ranking for which there is an approved remedial action work plan or an equivalent document under federal cleanup law;

(B) Brownfield properties within a redevelopment opportunity zone if the local government is a prospective purchaser of the property and there is a department-approved remedial action work plan or equivalent document under the federal cleanup law;

(iii) Storm water pollution source projects that: (A) Work in conjunction with a remedial action; (B) protect completed remedial actions against recontamination; or (C) prevent hazardous clean-up sites;

(iv) Hazardous waste plans and programs under chapter 70.105 RCW;

(v) Solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters; and

(vii) Appropriations to the state toxics control account or the environmental legacy stewardship account created in RCW 70.105D.170, if the legislature determines that priorities for spending exceed available funds in those accounts.

(b) Funds for plans and programs must be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW.

(c) During the 2013-2015 fiscal biennium, the local toxics control account may also be used for local government storm water planning and implementation activities.

(d) During the 2013-2015 fiscal biennium, the legislature may transfer from the local toxics control account to the state general fund, such amounts as reflect the excess fund balance in the account.

(e) To expedite cleanups throughout the state, the department may use the following strategies when providing grants to local governments under this subsection:

(i) Enter into an extended grant agreement with a local government conducting remedial actions at a facility where those actions extend over multiple biennia and the total eligible cost of those actions exceeds twenty million dollars. The agreement is subject to the following limitations:

(A) The initial duration of such an agreement may not exceed ten years. The department may extend the duration of such an agreement upon finding substantial progress has been made on remedial actions at the facility;

(B) Extended grant agreements may not exceed fifty percent of the total eligible remedial action costs at the facility; and

(C) The department may not allocate future funding to an extended grant agreement unless the local government has demonstrated to the department that funds awarded under the agreement during the previous biennium have been substantially expended or contracts have been entered into to substantially expend the funds;

(ii) Enter into a grant agreement with a local government conducting a remedial action that provides for periodic reimbursement of remedial action costs as they are incurred as established in the agreement;

(iii) Enter into a grant agreement with a local government prior to it acquiring a property or obtaining necessary access to conduct remedial actions, provided the agreement is conditioned upon the local government acquiring the property or obtaining the access in accordance with a schedule specified in the agreement;

(iv) Provide integrated planning grants to local governments to fund studies necessary to facilitate remedial actions at brownfield properties and adaptive reuse of properties following remediation. Eligible activities include, but are not limited to: Environmental site assessments; remedial investigations; health assessments; feasibility studies; site planning; community involvement; land use and regulatory analyses; building and infrastructure assessments; economic and fiscal analyses; and any environmental analyses under chapter 43.21C RCW;

(v) Provide grants to local governments for remedial actions related to area-wide groundwater contamination. To receive the funding, the local government does not need to be a potentially liable person or be required to seek reimbursement of grant funds from a potentially liable person;

(vi) The director may alter grant matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:

(A) Funding would prevent or mitigate unfair economic hardship imposed by the clean‑up liability;

(B) Funding would create new substantial economic development, public recreational opportunities, or habitat restoration opportunities that would not otherwise occur; or

(C) Funding would create an opportunity for acquisition and redevelopment of brownfield property under RCW 70.105D.040(5) that would not otherwise occur;

(vii) When pending grant applications under (e)(iv) and (v) of this subsection (4) exceed the amount of funds available, designated redevelopment opportunity zones must receive priority for distribution of available funds.

(f) To expedite multiparty clean-up efforts, the department may purchase remedial action cost-cap insurance. For the 2013-2015 fiscal biennium, moneys in the local toxics control account may be spent on projects in sections 3024, 3035, 3036, and 3059, chapter 19, Laws of 2013 2nd sp. sess.

(5) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.

(6) No moneys deposited into either the state or local toxics control account may be used for: Natural disasters where there is no hazardous substance contamination; high performance buildings; solid waste incinerator facility feasibility studies, construction, maintenance, or operation; or after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310. However, this subsection does not prevent an appropriation from the state toxics control account to the department of revenue to enforce compliance with the hazardous substance tax imposed in chapter 82.21 RCW.

(7) Except during the 2011-2013 and the 2015-2017 fiscal biennia, one percent of the moneys collected under RCW 82.21.030 shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation that are not expended at the close of any biennium revert to the state toxics control account.

(8) The department shall adopt rules for grant or loan issuance and performance. To accelerate both remedial action and economic recovery, the department may expedite the adoption of rules necessary to implement chapter 1, Laws of 2013 2nd sp. sess. using the expedited procedures in RCW 34.05.353. The department shall initiate the award of financial assistance by August 1, 2013. To ensure the adoption of rules will not delay financial assistance, the department may administer the award of financial assistance through interpretive guidance pending the adoption of rules through July 1, 2014.

(9) Except as provided under subsection (3)(k) and (q) of this section, nothing in chapter 1, Laws of 2013 2nd sp. sess. affects the ability of a potentially liable person to receive public funding.

(10) During the 2015-2017 fiscal biennium the local toxics control account may also be used for the centennial clean water program and for the storm water financial assistance program administered by the department of ecology.

**Sec.**  RCW 70.105D.130 and 2010 1st sp.s. c 37 s 947 are each amended to read as follows:

(1) The cleanup settlement account is created in the state treasury. The account is not intended to replace the state toxics control account established under RCW 70.105D.070. All receipts from the sources identified in subsection (2) of this section must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only as identified in subsection (4) of this section.

(2) The following receipts must be deposited into the cleanup settlement account:

(a) Receipts from settlements or court orders that direct payment to the account and resolve a person's liability or potential liability under this chapter for either or both of the following:

(i) Conducting future remedial action at a specific facility, if it is not feasible to require the person to conduct the remedial action based on the person's financial insolvency, limited ability to pay, or insignificant contribution under RCW 70.105D.040(4)(a);

(ii) Assessing or addressing the injury to natural resources caused by the release of a hazardous substance from a specific facility; and

(b) Receipts from investment of the moneys in the account.

(3) If a settlement or court order does not direct payment of receipts described in subsection (2)(a) of this section into the cleanup settlement account, then the receipts from any payment to the state must be deposited into the state toxics control account.

(4) Expenditures from the cleanup settlement account may only be used to conduct remedial actions at the specific facility or to assess or address the injury to natural resources caused by the release of hazardous substances from that facility for which the moneys were deposited in the account. Conducting remedial actions or assessing or addressing injury to natural resources includes direct expenditures and indirect expenditures such as department oversight costs. During the ((~~2009-2011~~)) 2017-2019 fiscal biennium, the legislature may transfer excess fund balances in the account into the state efficiency and restructuring account. Transfers of excess fund balances made under this section shall be made only to the extent amounts transferred with required repayments do not impair the ten‑year spending plan administered by the department of ecology for environmental remedial actions dedicated for any designated clean‑up site associated with the Everett smelter and Tacoma smelter, including plumes, or former Asarco mine sites. The cleanup settlement account must be repaid with interest under provisions of the state efficiency and restructuring account.

(5) The department shall track moneys received, interest earned, and moneys expended separately for each facility.

(6) After the department determines that all remedial actions at a specific facility, and all actions assessing or addressing injury to natural resources caused by the release of hazardous substances from that facility, are completed, including payment of all related costs, any moneys remaining for the specific facility must be transferred to the state toxics control account established under RCW 70.105D.070.

(7) The department shall provide the office of financial management and the fiscal committees of the legislature with a report by October 31st of each year regarding the activity within the cleanup settlement account during the previous fiscal year.

**Sec.**  RCW 71.24.580 and 2016 sp.s. c 29 s 511 are each amended to read as follows:

(1) The criminal justice treatment account is created in the state treasury. Moneys in the account may be expended solely for: (a) Substance use disorder treatment and treatment support services for offenders with a substance use disorder that, if not treated, would result in addiction, against whom charges are filed by a prosecuting attorney in Washington state; (b) the provision of substance use disorder treatment services and treatment support services for nonviolent offenders within a drug court program; and (c) the administrative and overhead costs associated with the operation of a drug court. During the 2015-2017 fiscal biennium, the legislature may transfer from the criminal justice treatment account to the state general fund amounts as reflect the state savings associated with the implementation of the medicaid expansion of the federal affordable care act and the excess fund balance of the account. During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the criminal justice treatment account to the state general fund. Moneys in the account may be spent only after appropriation.

(2) For purposes of this section:

(a) "Treatment" means services that are critical to a participant's successful completion of his or her substance use disorder treatment program, but does not include the following services: Housing other than that provided as part of an inpatient substance use disorder treatment program, vocational training, and mental health counseling; and

(b) "Treatment support" means transportation to or from inpatient or outpatient treatment services when no viable alternative exists, and child care services that are necessary to ensure a participant's ability to attend outpatient treatment sessions.

(3) Revenues to the criminal justice treatment account consist of: (a) Funds transferred to the account pursuant to this section; and (b) any other revenues appropriated to or deposited in the account.

(4)(a) For the fiscal year beginning July 1, 2006, and each subsequent fiscal year, the amount transferred shall be increased on an annual basis by the implicit price deflator as published by the federal bureau of labor statistics.

(b) In each odd-numbered year, the legislature shall appropriate the amount transferred to the criminal justice treatment account in (a) of this subsection to the department for the purposes of subsection (5) of this section.

(5) Moneys appropriated to the department from the criminal justice treatment account shall be distributed as specified in this subsection. The department may retain up to three percent of the amount appropriated under subsection (4)(b) of this section for its administrative costs.

(a) Seventy percent of amounts appropriated to the department from the account shall be distributed to counties pursuant to the distribution formula adopted under this section. The division of alcohol and substance abuse, in consultation with the department of corrections, the Washington state association of counties, the Washington state association of drug court professionals, the superior court judges' association, the Washington association of prosecuting attorneys, representatives of the criminal defense bar, representatives of substance use disorder treatment providers, and any other person deemed by the department to be necessary, shall establish a fair and reasonable methodology for distribution to counties of moneys in the criminal justice treatment account. County or regional plans submitted for the expenditure of formula funds must be approved by the panel established in (b) of this subsection.

(b) Thirty percent of the amounts appropriated to the department from the account shall be distributed as grants for purposes of treating offenders against whom charges are filed by a county prosecuting attorney. The department shall appoint a panel of representatives from the Washington association of prosecuting attorneys, the Washington association of sheriffs and police chiefs, the superior court judges' association, the Washington state association of counties, the Washington defender's association or the Washington association of criminal defense lawyers, the department of corrections, the Washington state association of drug court professionals, substance use disorder treatment providers, and the division. The panel shall review county or regional plans for funding under (a) of this subsection and grants approved under this subsection. The panel shall attempt to ensure that treatment as funded by the grants is available to offenders statewide.

(6) The county alcohol and drug coordinator, county prosecutor, county sheriff, county superior court, a substance abuse treatment provider appointed by the county legislative authority, a member of the criminal defense bar appointed by the county legislative authority, and, in counties with a drug court, a representative of the drug court shall jointly submit a plan, approved by the county legislative authority or authorities, to the panel established in subsection (5)(b) of this section, for disposition of all the funds provided from the criminal justice treatment account within that county. The funds shall be used solely to provide approved alcohol and substance abuse treatment pursuant to RCW 71.24.560, treatment support services, and for the administrative and overhead costs associated with the operation of a drug court.

(a) No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent on the administrative and overhead costs associated with the operation of a drug court.

(b) No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent for treatment support services.

(7) Counties are encouraged to consider regional agreements and submit regional plans for the efficient delivery of treatment under this section.

(8) Moneys allocated under this section shall be used to supplement, not supplant, other federal, state, and local funds used for substance abuse treatment.

(9) Counties must meet the criteria established in RCW 2.30.030(3).

(10) The authority under this section to use funds from the criminal justice treatment account for the administrative and overhead costs associated with the operation of a drug court expires June 30, 2015.

**Sec.**  RCW 77.12.203 and 2015 3rd sp.s. c 4 s 971 are each amended to read as follows:

(1) Except as provided in subsection (5) of this section and notwithstanding RCW 84.36.010 or other statutes to the contrary, the director must pay by April 30th of each year on game lands, regardless of acreage, in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes equal to that amount paid on similar parcels of open space land taxable under chapter 84.34 RCW or the greater of seventy cents per acre per year or the amount paid in 1984 plus an additional amount for control of noxious weeds equal to that which would be paid if such lands were privately owned. This amount may not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, or public fishing areas.

(2) "Game lands," as used in this section and RCW 77.12.201, means those tracts, regardless of acreage, owned in fee by the department and used for wildlife habitat and public recreational purposes. All lands purchased for wildlife habitat, public access, or recreation purposes with federal funds in the Snake River drainage basin are considered game lands regardless of acreage.

(3) This section does not apply to lands transferred after April 23, 1990, to the department from other state agencies.

(4) The county must distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county must distribute the amount received under this section for weed control to the appropriate weed district.

(5) For the 2013-2015 and 2015-2017 fiscal biennia, the director must pay by April 30th of each year on game lands in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes and must be distributed as follows:

|  |
| --- |
| **County** |
| Adams 1,909 |
| Asotin 36,123 |
| Chelan 24,757 |
| Columbia 7,795 |
| Ferry 6,781 |
| Garfield 4,840 |
| Grant 37,443 |
| Kittitas 143,974 |
| Klickitat 21,906 |
| Lincoln 13,535 |
| Okanogan 151,402 |
| Pend Oreille 3,309 |
| Yakima 126,225 |

These amounts may not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, or public fishing areas.

(6) For the 2017-2019 fiscal biennium, the director must pay by April 30th of each year on game lands in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes and must be distributed as follows:

|  |
| --- |
| **County** |
| Adams 5,223 |
| Asotin 132,917 |
| Chelan 70,666 |
| Columbia 21,330 |
| Ferry 18,555 |
| Garfield 13,242 |
| Grant 102,552 |
| Kittitas 395,209 |
| Klickitat 59,983 |
| Lincoln 37,032 |
| Okanogan 421,645 |
| Pend Oreille 8,916 |
| Yakima 329,233 |

These amounts may not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, or public fishing areas.

**Sec.**  RCW 79.13.120 and 2003 c 334 s 369 are each amended to read as follows:

(1) The department must give thirty days' notice of leasing by public auction. The notice must:

(a) Specify the place and time of auction, bid deposit if any, the appraised value, describe each parcel to be leased, and the terms and conditions of the lease;

(b) Be posted in some conspicuous place in the county auditor's office and the department's regional headquarters administering the lease; and

(c) Be published in at least two newspapers of general circulation in the area where the state land subject to public auction leasing is located.

(2) Notice of intent to lease by negotiation must be published in at least two newspapers of general circulation in the area where the state land subject to lease negotiation is located. The notice must be published within the ninety days preceding commencement of negotiations.

(3) The department is authorized to conduct any additional advertising that it determines to be in the best interest of the state.

(4) During the 2017-2019 fiscal biennium, the legislature may direct the department to make certain lands available for lease.

**Sec.**  RCW 79.17.200 and 1992 c 167 s 2 are each amended to read as follows:

(1) For the purposes of this section, "public agency" means any agency, political subdivision, or unit of local government of this state including, but not limited to, municipal corporations, quasi-municipal corporations, special purpose districts, and local service districts; any agency of the state government; any agency of the United States; and any Indian tribe recognized as such by the federal government.

(2) With the approval of the board of natural resources, the department of natural resources may directly transfer or dispose of real property, without public auction, in the following circumstances:

(a) Transfers in lieu of condemnations;

(b) Transfers to public agencies; and

(c) Transfers to resolve trespass and property ownership disputes.

(3) Real property to be transferred or disposed of under this section shall be transferred or disposed of only after appraisal and for at least fair market value, and only if such transaction is in the best interest of the state or affected trust.

(4) During the 2017-2019 fiscal biennium, the legislature may direct the department to transfer or dispose of certain water rights to a public agency under this section after appraisal for at least fair market value.

**Sec.**  RCW 79.64.040 and 2015 3rd sp.s. c 4 s 972 are each amended to read as follows:

(1) The board shall determine the amount deemed necessary in order to achieve the purposes of this chapter and shall provide by rule for the deduction of this amount from the moneys received from all leases, sales, contracts, licenses, permits, easements, and rights-of-way issued by the department and affecting state lands and aquatic lands, provided that no deduction shall be made from the proceeds from agricultural college lands.

(2) Moneys received as deposits from successful bidders, advance payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150 prior to December 1, 1981, which have not been subjected to deduction under this section are not subject to deduction under this section.

(3) Except as otherwise provided in subsection (5) of this section, the deductions authorized under this section shall not exceed twenty-five percent of the moneys received by the department in connection with any one transaction pertaining to state lands and aquatic lands other than second-class tide and shore lands and the beds of navigable waters, and fifty percent of the moneys received by the department pertaining to second-class tide and shore lands and the beds of navigable waters.

(4) In the event that the department sells logs using the contract harvesting process described in RCW 79.15.500 through 79.15.530, the moneys received subject to this section are the net proceeds from the contract harvesting sale.

(5) ((~~During the 2013-2015 fiscal biennium, the twenty-five percent limitation on deductions set in subsection (3) of this section may be increased up to thirty percent by the board.~~)) During the 2015-2017 and 2017-2019 fiscal ((~~biennium~~)) biennia, the board may increase the twenty-five percent limitation up to thirty-two percent.

**Sec.**  RCW 79.64.110 and 2015 3rd sp.s. c 4 s 973 are each amended to read as follows:

(1) Any moneys derived from the lease of state forestlands or from the sale of valuable materials, oils, gases, coal, minerals, or fossils from those lands, or the appraised value of these resources when transferred to a public agency under RCW 79.22.060, except as provided in RCW 79.22.060(4), must be distributed as follows:

(a) For state forestlands acquired through RCW 79.22.040 or by exchange for lands acquired through RCW 79.22.040:

(i) The expense incurred by the state for administration, reforestation, and protection, not to exceed twenty-five percent, which rate of percentage shall be determined by the board, must be returned to the forest development account created in RCW 79.64.100. During the 2015-2017 and 2017-2019 fiscal ((~~biennium~~)) biennia, the board may increase the twenty-five percent limitation up to twenty-seven percent.

(ii) Any balance remaining must be paid to the county in which the land is located or, for counties participating in a land pool created under RCW 79.22.140, to each participating county proportionate to its contribution of asset value to the land pool as determined by the board. Payments made under this subsection are to be paid, distributed, and prorated, except as otherwise provided in this section, to the various funds in the same manner as general taxes are paid and distributed during the year of payment.

(iii) Any balance remaining, paid to a county with a population of less than sixteen thousand, must first be applied to the reduction of any indebtedness existing in the current expense fund of the county during the year of payment.

(iv) With regard to moneys remaining under this subsection (1)(a), within seven working days of receipt of these moneys, the department shall certify to the state treasurer the amounts to be distributed to the counties. The state treasurer shall distribute funds to the counties four times per month, with no more than ten days between each payment date.

(b) For state forestlands acquired through RCW 79.22.010 or by exchange for lands acquired through RCW 79.22.010, except as provided in RCW 79.64.120:

(i) Fifty percent shall be placed in the forest development account.

(ii) Fifty percent shall be prorated and distributed to the state general fund, to be dedicated for the benefit of the public schools, to the county in which the land is located or, for counties participating in a land pool created under RCW 79.22.140, to each participating county proportionate to its contribution of asset value to the land pool as determined by the board, and according to the relative proportions of tax levies of all taxing districts in the county. The portion to be distributed to the state general fund shall be based on the regular school levy rate under RCW 84.52.065 and the levy rate for any maintenance and operation special school levies. With regard to the portion to be distributed to the counties, the department shall certify to the state treasurer the amounts to be distributed within seven working days of receipt of the money. The state treasurer shall distribute funds to the counties four times per month, with no more than ten days between each payment date. The money distributed to the county must be paid, distributed, and prorated to the various other funds in the same manner as general taxes are paid and distributed during the year of payment.

(2) A school district may transfer amounts deposited in its debt service fund pursuant to this section into its capital projects fund as authorized in RCW 28A.320.330.

**Sec.**  RCW 79.105.150 and 2015 3rd sp.s. c 4 s 974 are each amended to read as follows:

(1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects. During the 2013-2015 ((~~and~~)), 2015-2017, and 2017-2019 fiscal biennia, the aquatic lands enhancement account may be used to support the shellfish program, the ballast water program, hatcheries, the Puget Sound toxic sampling program and steelhead mortality research at the department of fish and wildlife, the knotweed program at the department of agriculture, actions at the University of Washington for reducing ocean acidification, which may include the creation of a center on ocean acidification, ((~~and~~)) the Puget SoundCorps program, and support of the marine resource advisory council and the Washington coastal marine advisory council. During the 2013-2015 fiscal biennium, the legislature may transfer from the aquatic lands enhancement account to the geoduck aquaculture research account for research related to shellfish aquaculture. During the 2015-2017 fiscal biennium, the legislature may transfer moneys from the aquatic lands enhancement account to the marine resources stewardship trust account.

(2) In providing grants for aquatic lands enhancement projects, the recreation and conservation funding board shall:

(a) Require grant recipients to incorporate the environmental benefits of the project into their grant applications;

(b) Utilize the statement of environmental benefits, consideration, except as provided in RCW 79.105.610, of whether the applicant is a Puget Sound partner, as defined in RCW 90.71.010, whether a project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, and except as otherwise provided in RCW 79.105.630, and effective one calendar year following the development and statewide availability of model evergreen community management plans and ordinances under RCW 35.105.050, whether the applicant is an entity that has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030 in its prioritization and selection process; and

(c) Develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants.

(3) To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270.

(4) The department shall consult with affected interest groups in implementing this section.

(5) After January 1, 2010, any project designed to address the restoration of Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.76 RCW to read as follows:

The highway worker memorial scholarship account is created in the custody of the state treasurer. Moneys received from legislative appropriations and transfers, private donations, public or private gifts and grants, conveyances, and other sources may be deposited into the account. Expenditures from the account may be made only for the purposes of providing scholarships to children and surviving spouses of highway workers who lost his or her life or became totally disabled while employed by a general contractor or subcontractor on a state transportation project. Children and surviving spouses must apply to the office of student financial assistance, and if found to be eligible, may receive a scholarship in an amount of the annual cost of tuition at the enrolled individual's institution of higher education or the cost of undergraduate tuition and state-mandated fees at the most expensive Washington state public university, whichever is less. Eligible individuals may receive up to four annual scholarships. Scholarships will be provided on a first-come, first-served basis subject to the availability of moneys in the account. Disbursements from the account may be authorized only by the office of student financial assistance or the Washington student achievement council. An appropriation is not required for expenditures, but the account is subject to allotment procedures under chapter 43.88 RCW.

NEW SECTION. **Sec.**  A new section is added to chapter 43.31 RCW to read as follows:

The state agency office relocation pool account is created in the custody of the state treasurer. All receipts from legislative appropriations and transfers must be deposited in the account. Expenditures from the account may be used only for state agency costs related to relocation of state agency offices. Authorized expenditures include lease payments and costs of relocation, equipment, furniture, and tenant improvements. Only the director of the office of financial management or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. **Sec.**  A new section is added to chapter 43.41 RCW to read as follows:

(1) The information technology investment 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 account created in section 705, chapter 705, Laws of 2015 3rd sp.s. and reenacted in subsection (1) of this section shall be transferred to the information technology investment account created in subsection (1) of this section on June 30, 2017.

NEW SECTION. **Sec.**  During the 2017-2019 fiscal biennium, any state agency receiving appropriations in this act is required to deposit into the disabled veteran assistance account created in RCW 43.60A.215 the value of any cash reward, cash rebate, cash bonus, or other cash incentive received from the use of a credit card, fleet card, or any other payment card.

NEW SECTION. **Sec.**  Section 961 of this act (RCW 70.93.180) takes effect June 30, 2017.

**PART XI**

**GENERAL GOVERNMENT**

**Sec.**  2016 sp.s. c 36 s 112 (uncodified) is amended to read as follows:

**FOR THE COURT OF APPEALS**

General Fund—State Appropriation (FY 2016) $17,000,000

General Fund—State Appropriation (FY 2017) ((~~$17,311,000~~))

 $17,353,000

TOTAL APPROPRIATION ~~$34,311,000~~

 $34,353,000

**Sec.**  2016 sp.s. c 36 s 113 (uncodified) is amended to read as follows:

**FOR THE ADMINISTRATOR FOR THE COURTS**

General Fund—State Appropriation (FY 2016) $56,244,000

General Fund—State Appropriation (FY 2017) ((~~$56,764,000~~))

 $56,840,000

General Fund—Federal Appropriation $2,154,000

General Fund—Private/Local Appropriation $667,000

Judicial Information Systems Account—State

Appropriation $56,772,000

Judicial Stabilization Trust Account—State

Appropriation $6,691,000

TOTAL APPROPRIATION ~~$178,708,000~~

 $179,368,000

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

(1) $878,000 of the general fund—state appropriation for fiscal year 2016, $878,000 of the general fund—state appropriation for fiscal year 2017, and $6,784,000 of the judicial information systems account—state appropriation are provided solely for the information network hub project.

(2) $516,000 of the judicial information systems account—state appropriation is provided solely for replacement of computer equipment, including servers, routers, and storage system upgrades.

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

(4) $1,849,000 of the judicial information systems account—state appropriation is provided solely for replacing computer equipment at state courts and state judicial agencies.

(5) $1,399,000 of the general fund—state appropriation for fiscal year 2016 and $1,399,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for school districts for petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. The administrator for the courts shall develop an interagency agreement with the superintendent of public instruction to allocate the funding provided in this subsection. Allocation of this money to school districts shall be based on the number of petitions filed. This funding includes amounts school districts may expend on the cost of serving petitions filed under RCW 28A.225.030 by certified mail or by personal service or for the performance of service of process for any hearing associated with RCW 28A.225.030.

(6)(a) $7,313,000 of the general fund—state appropriation for fiscal year 2016 and $7,313,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The administrator for the courts, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

(b) Each fiscal year during the 2015-2017 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing truancy, children in need of services, and at-risk youth petitions. Counties shall submit the reports to the administrator for the courts no later than 45 days after the end of the fiscal year. The administrator for the courts shall electronically transmit this information to the chairs and ranking minority members of the house of representatives and senate fiscal committees no later than 60 days after a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

(7) $584,000 of the judicial information systems account—state appropriation is provided solely for the content management system for the appellate courts.

(8) $200,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the office of public guardianship for the purpose of providing guardianship services to low income and indigent alleged or actual incapacitated persons who were receiving services on July 10, 2013.

(9) $118,000 of the judicial information systems account—state appropriation for fiscal year 2016 is provided solely for implementation of chapter 287, Laws of 2015 (Engrossed House Bill No. 1943).

(10) $75,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the planning and design of a dependency court improvement demonstration program. The plan must be developed jointly with the one family one team public private partnership, with a private cash match of $75,000. If the cash match is not available by August 1, 2015, the administrative office of the courts will not be required to complete the planning and design of a dependency court improvement demonstration program. By January 1, 2016, the public private partnership shall provide to the appropriate committees of the legislature the program design, including ongoing administrative funding, and a statement of the public and private funding required in order to provide demonstration grants to up to four counties.

(11) $6,080,000 of the judicial information systems account—state appropriation for fiscal year 2016 is provided solely for continued implementation of the superior court case management system project.

(12) $7,010,000 of the judicial information systems account—state appropriation for fiscal year 2017 is provided solely for continued implementation of the superior court case management system. The steering committee for the superior court case management system, the office of administrator of the courts, and county clerks shall work with the case management system vendor to develop cost estimates for modifications to the superior court case management system to address security and document management concerns raised by county clerks. If the cost estimates are not provided to the fiscal committees of the legislature by January 1, 2016, the amounts provided in this subsection shall lapse. Furthermore, the amounts provided in this subsection shall lapse if the superior court case management system is not live and fully functional in Franklin, Thurston, and Yakima counties by February 1, 2016.

(13) The existing steering committee for the superior court case management system shall continue oversight responsibilities throughout the various phases of the project to include, but not be limited to, vendor management, contract and deliverable management, assuring reasonable satisfaction of the business and technical needs at the local level, receipt of stakeholder feedback, and communication between the various stakeholder groups and the judicial information systems committee. Issues of significant scope, schedule or budget changes, and risk mitigation strategies must be escalated to the judicial information systems committee for consideration. In the event that a majority of the steering committee members cannot reach a decision, the issue must be escalated to the judicial information systems committee for consideration. The superior court case management system project steering committee may solicit input from user groups as deemed appropriate.

(14) The courts of limited jurisdiction case management system (CLJ-CMS) replacement project shall be guided by a project steering committee to provide project oversight throughout the various phases of the project to include, but not be limited to, vendor management, contract and deliverable management, assuring reasonable satisfaction of the business and technical needs at the local level, receipt of stakeholder feedback, and communication between the various stakeholder groups and the judicial information systems committee. The project steering committee shall be comprised of three members from the administrative office of the courts, two members from the district and municipal court judges association, three members from the district and municipal court management association, and two members from the misdemeanant corrections association. Issues of significant scope, schedule or budget changes, and risk mitigation strategies must be escalated to the judicial information systems committee for consideration. In the event that a majority of the project steering committee members cannot reach a decision, the issue must be escalated to the judicial information systems committee for consideration. The courts of limited jurisdiction case management system replacement project steering committee may solicit input from user groups as deemed appropriate.

(15) $3,789,000 of the judicial information systems account—state appropriation is provided solely for preparation and procurement activities related to the courts of limited jurisdiction case management system (CLJ-CMS) replacement project. The appropriations are further conditioned that the CLJ-CMS replacement project be funded entirely from judicial information system account funds in future biennia. The amounts provided in this subsection for the CLJ-CMS replacement project shall not be expended prior to January 1, 2016. In addition, if the following activities are not complete by the dates provided, no further funds appropriated in this subsection shall be expended on the CLJ-CMS replacement project.

(a) Beginning April 1, 2016, and each calendar quarter thereafter, quality assurance reports for the CLJ-CMS replacement project shall be provided to the office of chief information officer for review and for posting on its information technology project dashboard.

(b) No later than July 1, 2016, the CLJ-CMS replacement project steering committee shall provide a report to the legislature on the status of the procurement process for a CLJ-CMS replacement project, including an affirmation that the project is designed to meet the business processes and requirements of all thirty-nine counties. In addition, the report shall include a statement from each court of limited jurisdiction of its intended use of the new CLJ-CMS.

(c) No later than January 1, 2017, the judicial information system committee must approve the publication of a request for proposal for the CLJ-CMS replacement project.

(d) Prior to any CLJ-CMS replacement project steering committee recommendation to the judicial information system committee of a preferred vendor and prior to the selection of an apparently successful vendor, the office of chief information officer must be allowed to review vendor submittals in response to the request for proposal. To better inform its selection, the office of chief information officer must provide to the CLJ-CMS replacement project steering committee an evaluation each vendor's proposed technology solution assessing its architecture, security, vendor experience and qualifications, project risks and risk management, and whether the technology solution represents the best value.

**Sec.**  2016 sp.s. c 36 s 114 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF PUBLIC DEFENSE**

General Fund—State Appropriation (FY 2016) $37,558,000

General Fund—State Appropriation (FY 2017) ((~~$37,809,000~~))

 $38,290,000

Judicial Stabilization Trust Account—State

Appropriation $3,648,000

TOTAL APPROPRIATION ~~$79,015,000~~

 $79,496,000

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

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

(2) $924,000 of the general fund—state appropriation for fiscal year 2016 and $462,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for parents representation program costs related to increased parental rights termination filings from the department of social and health services permanency initiative.

(3) $451,000 of the general fund—state appropriation for fiscal year 2016 and $915,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to increase payments for attorneys who contract with the office for indigent defense representation.

(4) $900,000 of the general fund—state appropriation for fiscal year 2016 and $900,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the purpose of improving the quality of trial court public defense services.

(5) $245,000 of the general fund—state appropriation for fiscal year 2016 and $320,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to implement chapter 117, Laws of 2015 (Second Substitute Senate Bill No. 5486). Funds must be used to maintain the current programs in Grays Harbor/Pacific, King, Kitsap, Pierce, Snohomish, Spokane, and Thurston/Mason counties; expand services in three of these locations; provide for program administration; and to fund the first stage of an evaluation of the program to determine if the parents for parents program can be considered evidence-based.

**Sec.**  2016 sp.s. c 36 s 117 (uncodified) is amended to read as follows:

**FOR THE LIEUTENANT GOVERNOR**

General Fund—State Appropriation (FY 2016) $636,000

General Fund—State Appropriation (FY 2017) ((~~$656,000~~))

 $721,000

General Fund—Private/Local Appropriation $90,000

TOTAL APPROPRIATION ~~$1,382,000~~

 $1,447,000

**Sec.**  2016 sp.s. c 36 s 118 (uncodified) is amended to read as follows:

**FOR THE PUBLIC DISCLOSURE COMMISSION**

General Fund—State Appropriation (FY 2016) $2,416,000

General Fund—State Appropriation (FY 2017) ((~~$2,437,000~~))

 $2,764,000

TOTAL APPROPRIATION ~~$4,853,000~~

 $5,180,000

**Sec.**  2016 sp.s. c 36 s 120 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2016) $266,000

General Fund—State Appropriation (FY 2017) ((~~$274,000~~))

 $275,000

TOTAL APPROPRIATION ~~$540,000~~

 $541,000

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

**Sec.**  2016 sp.s. c 36 s 121 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2016) $235,000

General Fund—State Appropriation (FY 2017) ((~~$231,000~~))

 $232,000

TOTAL APPROPRIATION ~~$466,000~~

 $467,000

**Sec.**  2015 3rd sp.s. c 4 s 125 (uncodified) is amended to read as follows:

**FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS**

General Fund—State Appropriation (FY 2016) $146,000

General Fund—State Appropriation (FY 2017) ((~~$185,000~~))

 $186,000

TOTAL APPROPRIATION ~~$331,000~~

 $332,000

**Sec.**  2016 sp.s. c 36 s 124 (uncodified) is amended to read as follows:

**FOR THE ATTORNEY GENERAL**

General Fund—State Appropriation (FY 2016) $11,420,000

General Fund—State Appropriation (FY 2017) ((~~$8,417,000~~))

 $8,826,000

General Fund—Federal Appropriation $6,930,000

New Motor Vehicle Arbitration Account—State

Appropriation $1,041,000

Legal Services Revolving Account—State

Appropriation ((~~$227,558,000~~))

 $230,006,000

Tobacco Prevention and Control Account—State

Appropriation $273,000

Medicaid Fraud Penalty Account—State Appropriation $3,065,000

Public Service Revolving Account—State

Appropriation $2,220,000

Child Rescue Fund—State Appropriation $500,000

TOTAL APPROPRIATION ~~$261,424,000~~

 $264,281,000

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

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

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

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

(4) $2,218,000 of the public service revolving account—state appropriation is provided solely for the work of the public counsel section of the office of the attorney general.

(5) $353,000 of the general fund—state appropriation for fiscal year 2016 and $353,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a grant to the Washington coalition of crime victim advocates to provide training, certification, and technical assistance for crime victim service center advocates.

(6) $1,196,000 of the legal services revolving fund—state appropriation is provided solely for the implementation of chapter 70, Laws of 2015 (Second Substitute Senate Bill No. 5052) (cannabis patient protection).

(7) $14,000 of the legal services revolving account—state appropriation is provided solely for implementation of chapter 240, Laws of 2015 (Substitute Senate Bill No. 5740) (extended foster care).

(8) $182,000 of the legal services revolving account—state appropriation is provided solely for implementation of chapter 274, Laws of 2015 (Engrossed Substitute House Bill No. 1449) (oil transportation safety).

(9) $71,000 of the legal services revolving account—state appropriation is provided solely for implementation of Engrossed Second Substitute House Bill No. 1472 (chemical action plans), Second Substitute Senate Bill No. 5056 (safer chemicals/action plans), Substitute Senate Bill No. 6131 (safer chemicals), or any of these. If none of these bills are enacted by July 10, 2015, the amount provided in this subsection shall lapse.

(10) Pursuant to chapter 247, Laws of 2015 (Second Substitute House Bill No. 1281) (sexual exploitation of a minor), the office of the attorney general may expend $500,000 from the child rescue fund—state appropriation, or an amount not to exceed actual revenues into the account.

(11) $37,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for implementation of Second Substitute House Bill No. 2726 (retirement communities). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(12) Appropriations in this section include specific funds for the implementation of Substitute Senate Bill No. 6160 (regulating motor vehicle airbags).

(13) $55,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for implementation of Substitute Senate Bill No. 6360 (traffic fines consolidation). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

**Sec.**  2016 sp.s. c 36 s 125 (uncodified) is amended to read as follows:

**FOR THE CASELOAD FORECAST COUNCIL**

General Fund—State Appropriation (FY 2016) $1,397,000

General Fund—State Appropriation (FY 2017) ((~~$1,460,000~~))

 $1,508,000

TOTAL APPROPRIATION ~~$2,857,000~~

 $2,905,000

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

(1) $55,000 of the general fund—state appropriation for fiscal year 2016 and $55,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for Substitute Senate Bill No. 5999 (caseload forecast council). ((~~If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.~~))

(2)(a) The caseload forecast council, in cooperation with the appropriate legislative committees and legislative staff, the office of financial management, the department of corrections, the department of social and health services, the administrative office of the courts, the minority and justice commission, the Washington state institute for public policy, the department of early learning, the student achievement council, the state board of education, the sentencing guidelines commission, and a person from communities at large deemed appropriate must develop recommendations for procedures and tools which will enable them to provide cost-effective racial and ethnic impact statements to legislative bills affecting criminal justice, human services, and education caseloads forecasted by the caseload forecast council. The recommendations for the racial and ethnic impact statements must be able to identify the positive and negative impacts on communities as a result of proposed or adopted legislation.

(b) The caseload forecast council shall submit a report to the governor and appropriate committees of the legislature on or before December 31, 2016, outlining recommendations for procedures and tools necessary to provide racial and ethnic impact statements to criminal justice, human services, and education caseloads, as well as outlining implementation cost estimates and potential funding sources.

(3) In addition to caseload forecasts for common schools as defined in RCW 43.88C.010(7), during the remainder of the 2015-2017 fiscal biennium the council must provide a separate forecast of enrollment for charter schools authorized by chapter 28A.710 RCW as amended by Engrossed Second Substitute Senate Bill No. 6194 (public schools other than common schools).

**Sec.**  2016 sp.s. c 36 s 127 (uncodified) is amended to read as follows:

**FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL**

General Fund—State Appropriation (FY 2016) $805,000

General Fund—State Appropriation (FY 2017) ((~~$888,000~~))

 $892,000

Lottery Administrative Account—State Appropriation $50,000

TOTAL APPROPRIATION ~~$1,743,000~~

 $1,747,000

**Sec.**  2016 sp.s. c 36 s 128 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT**

General Fund—State Appropriation (FY 2016) $19,280,000

General Fund—State Appropriation (FY 2017) ((~~$19,623,000~~))

 $19,721,000

General Fund—Federal Appropriation $38,822,000

General Fund—Private/Local Appropriation $498,000

Economic Development Strategic Reserve Account—State

Appropriation $310,000

Personnel Service Fund—State Appropriation $8,696,000

Higher Education Personnel Services Account—State

Appropriation $1,497,000

Performance Audits of Government Account—State

Appropriation $534,000

Statewide Information Technology System Development

Revolving Account—State Appropriation $15,799,000

Office of Financial Management Central

Service Account—State Appropriation $14,610,000

 TOTAL APPROPRIATION ~~$106,237,000~~

 $119,767,000

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

(1) The appropriations in this section represent a transfer of expenditure authority of $2,333,000 of the general fund—federal appropriation for fiscal year 2016 and $1,782,000 of the general fund—federal appropriation for fiscal year 2017 to the office of financial management to implement Engrossed Substitute Senate Bill No. 5084 (all payer claims database).

(2) $13,799,000 of the statewide information technology system development revolving account—state appropriation is provided solely for prepayment of the debt service for the time, leave, and attendance system. The enterprise time, leave, and attendance project shall be discontinued, but the office and other state agencies may utilize acquired project assets for other purposes to the extent practicable.

(3) $50,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1491 (early care and education system). If the bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.

(4) $33,000 of the general fund—state appropriation for fiscal year 2017 is provided one time solely to implement chapter 244, Laws of 2015 (college bound scholarship).

(5) $168,000 of the general fund—state appropriation for fiscal year 2016 and $163,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to implement chapter 245, Laws of 2015 (outdoor recreation).

(6)(a) Within funds appropriated in this section, the education data center created in RCW 43.41.400 shall complete an evaluation of the state need grant and submit a report to the appropriate committees of the legislature by December 1, 2016. To the extent it is not duplicative of other studies, the report shall evaluate educational outcomes emphasizing degree completion rates at the postsecondary levels. The report shall study certain aspects of the state need grant program, including but not limited to:

(i) State need grant recipient grade point average and its relationship to positive outcomes, including but not limited to:

(A) Variance between community and technical colleges and the four-year institutions of higher education;

(B) Variance between state need grant recipients and students on the state need grant unserved waiting list; and

(C) Differentials between quarter or semester grade point averages and cumulative grade point averages.

(ii) Possible outcomes of requiring a minimum grade point average, per semester or quarter or cumulatively, for state need grant renewal.

(b) Beginning July 1, 2016, the student achievement council and all institutions of higher education eligible to participate in the state need grant shall ensure that data needed to analyze and evaluate the effectiveness of the state need grant program are promptly transmitted to the education data center so that it is available and easily accessible. The data to be reported must include but not be limited to:

(i) The number of state need grant recipients;

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

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

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

(v) State need grant program costs.

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

(7) $250,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for a contract with a consultant to examine the current configuration and financing of the state hospital system pursuant to Engrossed Second Substitute House Bill No. 2453 (state hospital oversight) or Substitute Senate Bill No. 6656 (state hospital practices).

((~~(9)~~)) (8) $150,000 of the general fund—state appropriation for fiscal year 2016 and $150,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the cost to support the blue ribbon commission on delivery of services to children and families established by the governor's executive order 16-03. The commission shall develop recommendations on whether to create a separate state department of children and families, including a mission and vision for the new department, new organization structures, estimated costs, transition plans, and benchmarks for assessing the improvements in outcomes for children and families expected to result from the reorganization, including the metrics to measure those short and long-term expected outcomes, and the expected impact on total administrative costs among the involved state agencies. The commission shall produce recommendations no later than November 1, 2016.

**Sec.**  2016 sp.s. c 36 s 130 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE LOTTERY**

Lottery Administrative Account—State

Appropriation ((~~$28,797,000~~))

 $28,868,000

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

(1) $690,000 of the lottery administrative account—state appropriation is provided solely for the replacement of the lottery's gaming systems vendor contract.

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

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

**Sec.**  2016 sp.s. c 36 s 131 (uncodified) is amended to read as follows:

**FOR THE COMMISSION ON HISPANIC AFFAIRS**

General Fund—State Appropriation (FY 2016) $260,000

General Fund—State Appropriation (FY 2017) ((~~$259,000~~))

 $260,000

TOTAL APPROPRIATION ~~$519,000~~

 $520,000

**Sec.**  2016 sp.s. c 36 s 132 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2016) $254,000

General Fund—State Appropriation (FY 2017) ((~~$260,000~~))

 $261,000

TOTAL APPROPRIATION ~~$514,000~~

 $515,000

**Sec.**  2016 sp.s. c 36 s 134 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF REVENUE**

General Fund—State Appropriation (FY 2016) $119,358,000

General Fund—State Appropriation (FY 2017) ((~~$120,551,000~~))

 $121,623,000

Financial Services Regulation Account—State

Appropriation $10,000,000

Timber Tax Distribution Account—State

Appropriation $6,604,000

Waste Reduction/Recycling/Litter Control—State

Appropriation $141,000

State Toxics Control Account—State Appropriation $101,000

Business License Account—State Appropriation $24,590,000

TOTAL APPROPRIATION ~~$267,381,000~~

 $282,407,000

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

(1) $5,628,000 of the general fund—state appropriation for fiscal year 2017, and $7,890,000 of the business license account—state appropriation are provided solely for the taxpayer legacy system replacement project.

(2) $487,000 of the general fund—state appropriation for fiscal year 2016 and $582,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Substitute Senate Bill No. 5186 (disabled veterans and seniors). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.

(3) $60,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Substitute Senate Bill No. 6211 (nonprofit homeownership development). If the bill is not enacted by June 30, 2016, the amount in this subsection shall lapse.

((~~(5)~~)) (4) $21,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Engrossed Substitute Senate Bill No. 6328 (vapor products). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

**Sec.**  2016 sp.s. c 36 s 135 (uncodified) is amended to read as follows:

**FOR THE BOARD OF TAX APPEALS**

General Fund—State Appropriation (FY 2016) $1,321,000

General Fund—State Appropriation (FY 2017) ((~~$1,303,000~~))

 $1,360,000

TOTAL APPROPRIATION ~~$2,624,000~~

 $2,681,000

**Sec.**  2016 sp.s. c 36 s 136 (uncodified) is amended to read as follows:

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

OMWBE Enterprises Account—State Appropriation ((~~$4,889,000~~))

 $4,906,000

**Sec.**  2016 sp.s. c 36 s 137 (uncodified) is amended to read as follows:

**FOR THE INSURANCE COMMISSIONER**

General Fund—State Appropriation (FY 2016) $300,000

General Fund—State Appropriation (FY 2017) $227,000

General Fund—Federal Appropriation $4,571,000

Insurance Commissioners Regulatory Account—State

Appropriation $55,772,000

TOTAL APPROPRIATION $60,870,000

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

(1) $168,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of chapter 17, Laws of 2015 (HB 1172).

(2) $129,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of chapter 63, Laws of 2015 (HB 1077).

(3) $272,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of chapter 122, Laws of 2015 (SB 5717).

(4) $25,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of chapter 19, Laws of 2015 (SSB 5023).

(5) $283,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of House Bill No. 2326 (independent review organizations). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~))

(6) $143,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of Senate Bill No. 5180 (life insurance reserves). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~))

(7) $797,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of Fifth Engrossed Substitute Senate Bill No. 5857 (pharmacy benefit managers). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~))

**Sec.**  2016 sp.s. c 36 s 139 (uncodified) is amended to read as follows:

**FOR THE LIQUOR AND CANNABIS BOARD**

Dedicated Marijuana Fund—State

Appropriation (FY 2016) $7,736,000

Dedicated Marijuana Fund—State

Appropriation (FY 2017) $8,481,000

Liquor Revolving Account—State Appropriation $66,830,000

General Fund—Federal Appropriation $2,821,000

General Fund—State Appropriation (FY 2017) $260,000

General Fund—Private/Local Appropriation $25,000

TOTAL APPROPRIATION $86,153,000

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

(1) $2,183,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $2,818,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for implementation of Substitute House Bill No. 2136 (marijuana market reforms) and Second Substitute Senate Bill No. 5052 (cannabis patient protection). ((~~If either bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.~~))

(2) $376,000 of the liquor revolving fund—state appropriation is provided solely for the implementation of Substitute Senate Bill No. 5280 (beer and cider sales). ((~~If the bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.~~))

(3) $2,641,000 of the liquor revolving account—state appropriation is provided solely for additional cigarette and tobacco enforcement. The liquor control board must provide additional cigarette and tobacco enforcement officers and pursue strategies to reduce the amount of smuggled, contraband, and otherwise untaxed cigarette and tobacco products in the state. The liquor control board must report the amount of untaxed cigarette and tobacco taxes recovered in comparison to past years to the appropriate committees of the legislature by January 1, 2016, and January 1, 2017.

(4) $366,000 of the liquor revolving account—state appropriation is provided solely for the implementation of Substitute House Bill No. 2831 (small business liquor sales). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~))

(5) The appropriations in this section include sufficient funding for the implementation of Engrossed Substitute Senate Bill No. 6470 (wineries).

(6) $260,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Engrossed Substitute Senate Bill No. 6238 (vapor products). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~))

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

**Sec.**  2016 sp.s. c 36 s 141 (uncodified) is amended to read as follows:

**FOR THE MILITARY DEPARTMENT**

General Fund—State Appropriation (FY 2016) $3,386,000

General Fund—State Appropriation (FY 2017) $3,654,000

General Fund—Federal Appropriation $136,380,000

Enhanced 911 Account—State Appropriation $56,594,000

Disaster Response Account—State Appropriation ((~~$41,383,000~~))

 $40,131,000

Disaster Response Account—Federal Appropriation ((~~$107,317,000~~))

 $110,862,000

Military Department Rent and Lease Account—State

Appropriation $615,000

Worker and Community Right-to-Know Account—State

Appropriation $2,888,000

Oil Spill Prevention Account—State Appropriation $1,000,000

TOTAL APPROPRIATION ~~$353,217,000~~

 $355,510,000

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

(1) The military department shall submit a report to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2015-2017 biennium based on current revenue and expenditure patterns.

(2) $60,000,000 of the general fund—federal appropriation is provided solely for homeland security, subject to the following conditions: Any communications equipment purchased by local jurisdictions or state agencies shall be consistent with standards set by the Washington state interoperability executive committee.

(3) $1,000,000 of the oil spill prevention account—state appropriation is provided solely for implementation of chapter 274, Laws of 2015 (Engrossed Substitute House Bill No. 1449) (oil transportation safety).

(4) $100,000 of the general fund—state appropriation for fiscal year 2016 and $100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the conditional scholarship program pursuant to chapter 28B.103 RCW.

(5) $5,000,000 of the enhanced 911 account—state appropriation is provided solely for financial assistance to counties to replace analog 911 telephone and network equipment with next generation 911 capable technology.

(6) $1,850,000 of the disaster response account—state appropriation is provided solely to Okanogan and Ferry counties to address deficiencies within their communications infrastructure for 911 dispatch. Funds will be used to replace failing radio dispatching hardware within 911 dispatch centers; build interoperable communications between each county's dispatch center such that each can serve as a back-up to the other; and build upon the existing wireless microwave network for 911 calls, dispatch centers, and first responder radio operations. Prior to releasing any state funds, the department will consult with the counties to determine if federal funds are available for any proposed expenditure and assist the counties with any application for such funds.

(7) $130,000 of the enhanced 911 account—state appropriation is provided solely for the department to conduct a pilot program within King county to implement a mobile phone application that notifies persons trained in cardiopulmonary resuscitation of persons nearby who are having a cardiac emergency. The department may partner with the county, a city, a fire district, or a search and rescue organization for purposes of implementing the application and software-as-a-service in an existing computer-aided dispatch system. The department will report the results of the pilot program to the legislature by December 1, 2016.

(8) $5,679,000 of the enhanced 911 account—state appropriation is provided solely for transitioning to an internet protocol based next generation 911 network and increased network costs during the transition and hardware required for the new system. The department's activities and procurement is a major information technology project subject to oversight and review by the office of the chief information officer.

(9) $392,000 of the disaster response account—state appropriation is provided solely for fire suppression training and equipment to national guard soldiers and airmen.

**Sec.**  2016 sp.s. c 36 s 143 (uncodified) is amended to read as follows:

**FOR THE BOARD OF ACCOUNTANCY**

Certified Public Accountants' Account—State

Appropriation ((~~$6,117,000~~))

 $6,125,000

The appropriation in this section is subject to the following conditions and limitations: $3,300,000 of the certified public accountants' account—state appropriation is provided solely for deposit into the certified public accounting transfer account to fund Washington-based colleges and universities for students pursuing degrees in accounting or taxation as provided in chapter 215, Laws of 2015 (Substitute Senate Bill No. 5534).

**Sec.**  2016 sp.s. c 36 s 145 (uncodified) is amended to read as follows:

**FOR THE HORSE RACING COMMISSION**

Horse Racing Commission Operating Account—State

Appropriation ((~~$3,665,000~~))

 $3,685,000

**Sec.**  2016 sp.s. c 36 s 147 (uncodified) is amended to read as follows:

**FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

Volunteer Firefighters' and Reserve Officers'

Administrative Account—State Appropriation ((~~$1,011,000~~))

 $1,014,000

**Sec.**  2016 sp.s. c 36 s 148 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2016) $1,369,000

General Fund—State Appropriation (FY 2017) ((~~$1,395,000~~))

 $1,409,000

General Fund—Federal Appropriation $2,122,000

General Fund—Private/Local Appropriation $14,000

TOTAL APPROPRIATION ~~$4,900,000~~

 $4,914,000

The appropriations in this section are subject to the following conditions and limitations: $121,000 of the general fund—state appropriation for fiscal year 2016 and $121,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington main street program.

**PART XII**

**HUMAN SERVICES**

**Sec.**  2016 sp.s. c 36 s 201 (uncodified) is amended to read as follows:

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

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

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

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

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

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

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

(b) To facilitate a single point of entry across public and medical assistance programs, and to maximize the use of federal funding, the health care authority, the department of social and health services, and the health benefit exchange will coordinate efforts to expand HealthPlanfinder access to public assistance and medical eligibility staff. No later than October 1, 2015, the department shall complete medicaid applications in the HealthPlanfinder for households receiving or applying for public assistance benefits.

(c) The department, in coordination with the health care authority, shall pursue a federal waiver to use supplemental nutrition assistance program eligibility, aged, blind, or disabled program eligibility, or temporary assistance for needy families eligibility, to enroll eligible persons into medicaid.

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

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

(9)(a) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. However, after May 1, 2016, unless prohibited by this act, the department may transfer general fund—state appropriations for fiscal year 2016 among programs after approval by the director of financial management. However, the department shall not transfer state moneys that are provided solely for a specified purpose except as expressly provided in (b) of this subsection.

(b) To the extent that transfers under (a) of this subsection are insufficient to fund actual expenditures in excess of fiscal year 2016 caseload forecasts and utilization assumptions in the long-term care, foster care, adoptions support, medical personal care, and child support programs, the department may transfer state moneys that are provided solely for a specified purpose. The department shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

(10) To facilitate the authority provided in subsection (7) and (8) of this section, and to ensure a new accounting structure is in place as of July 1, 2017, the department is authorized to create a new program for accounting purposes only that combines the mental health program and alcohol and substance abuse program allotments and expenditures.

**Sec.**  2016 sp.s. c 36 s 202 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2016) $324,746,000

General Fund—State Appropriation (FY 2017) ((~~$337,124,000~~))

 $345,629,000

General Fund—Federal Appropriation ((~~$511,676,000~~))

 $517,808,000

General Fund—Private/Local Appropriation ((~~$1,354,000~~))

 $1,854,000

Domestic Violence Prevention Account—State

Appropriation $1,908,000

Child and Family Reinvestment Account—State

Appropriation $6,529,000

TOTAL APPROPRIATION ~~$1,183,337,000~~

 $1,198,474,000

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

(1) Amounts appropriated in this section include funding for the department to establish basic foster care rates consistent with the settlement agreement in *FPAWS v. Quigley*.

(2) $668,000 of the general fund—state appropriation for fiscal year 2016 and $668,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to contract for the operation of one pediatric interim care center. The center shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the center must be in need of special care as a result of substance abuse by their mothers. The center shall also provide on-site training to biological, adoptive, or foster parents. The center shall provide at least three months of consultation and support to the parents accepting placement of children from the center. The center may recruit new and current foster and adoptive parents for infants served by the center. The department shall not require case management as a condition of the contract.

(3) $253,000 of the general fund—state appropriation for fiscal year 2016 and $253,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the costs of the eight existing hub home foster families that provide a foster care delivery model that includes a licensed hub home. Use of the hub home model is intended to support foster parent retention, improve child outcomes, and encourage the least restrictive community placements for children in out-of-home care.

(4) $579,000 of the general fund—state appropriation for fiscal year 2016, $579,000 of the general fund—state appropriation for fiscal year 2017, and $109,000 of the general fund—federal appropriation are provided solely for a receiving care center east of the Cascade mountains.

(5) $990,000 of the general fund—state appropriation for fiscal year 2016 and $990,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for services provided through children's advocacy centers.

(6) $1,250,000 of the general fund—state appropriation for fiscal year 2016 and $1,351,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of performance-based contracts for family support and related services pursuant to RCW 74.13B.020.

(7) $4,865,000 of the general fund—state appropriation for fiscal year 2016, $3,564,000 of the general fund—state appropriation for fiscal year 2017, $6,529,000 of the child and family reinvestment account—state appropriation, and $15,958,000 of the general fund—federal appropriation, are provided solely for family assessment response.

(8) $94,000 of the general fund—state appropriation for fiscal year 2016 and $94,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a contract with a child advocacy center in Spokane to provide continuum of care services for children who have experienced abuse or neglect and their families.

(9) $668,000 of the domestic violence prevention account—state appropriation is provided solely for implementation of chapter 275, Laws of 2015 (SSB 5631) (domestic violence victims).

(10) $1,996,000 of the general fund—state appropriation for fiscal year 2016, $3,434,000 of the general fund—state appropriation for 2017, and $844,000 of the general fund—federal appropriation are provided solely for the children's administration to:

(a) Reduce the caseload ratios of social workers serving children in foster care to promote decreased lengths of stay and to make progress towards achievement of the Braam settlement caseload outcome;

(b) Support the closure of child protective services investigations within ninety days of intake, where appropriate; and

(c) Progress towards statewide expansion and support of the child protective services family assessment response pathway.

The children's administration must, in the manner it determines appropriate, balance expenditure of amounts provided in this subsection in a way that makes substantial investments in each of the three purposes in (a) through (c) of this subsection. Of the amounts provided in this subsection, no more than $1,600,000 may be used for the purpose of (b) of this subsection.

(11) $819,000 of the general fund—state appropriation for fiscal year 2017 and $373,000 of the general fund—federal appropriation are provided solely for implementation of chapter 240, Laws of 2015 (SSB 5740) (extended foster care).

(12) $784,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for early achievers tiered reimbursement for family home and center child care providers consistent with Engrossed Second Substitute House Bill No. 1491 (early care & education system).

(13)(a) $539,000 of the general fund—state appropriation for fiscal year 2016, $540,000 of the general fund—state appropriation for fiscal year 2017, $656,000 of the general fund private/local appropriation, and $253,000 of the general fund—federal appropriation are provided solely for a contract with an educational advocacy provider with expertise in foster care educational outreach. The amounts in this subsection are provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems and to assure a focus on education during the department's transition to performance-based contracts. Funding must be prioritized to regions with high numbers of foster care youth, or regions where backlogs of youth that have formerly requested educational outreach services exist. The children's administration is encouraged to use private matching funds to maintain educational advocacy services.

(b) Beginning in fiscal year 2017, the children's administration shall contract with the office of the superintendent of public instruction, which in turn shall contract with a nongovernmental entity or entities to provide educational advocacy services pursuant to Fourth Substitute House Bill No. 1999 (foster youth edu. outcomes). ((~~If the bill is not enacted by June 30, 2016, language in this subsection shall lapse.~~))

(14) The children's administration shall adopt policies to reduce the percentage of parents requiring supervised visitation, including clarification of the threshold for transition from supervised to unsupervised visitation prior to reunification. The children's administration shall submit the revised visitation policy to the appropriate policy and fiscal committees of the legislature by December 1, 2015.

(15) $446,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for a contract with a nongovernmental entity or entities for the demonstration site to improve the educational outcomes of students who are dependent pursuant to chapter 13.34 RCW that was established pursuant to the 2013-2015 omnibus appropriations act, section 202(10), chapter 4, Laws of 2013, 2nd sp. sess.

(a) The demonstration site in this subsection must facilitate the educational progress and graduation of dependent youth by providing individualized education services and monitoring and supporting dependent youths' remediation needs, special education needs, and completion of education milestones. The contract must be performance-based with a stated goal of improving the graduation rates of foster youth by two percent per year over five school year periods. The baseline for measurement for the existing site was established in the 2013-14 school year and remains applicable through the 2017-18 school year.

(b) The demonstration site must develop and provide services aimed at improving the educational outcomes of foster youth. These services must include:

(i) Direct advocacy for foster youth to eliminate barriers to educational access and success;

(ii) Consultation with children's administration case workers to develop educational plans for and with participating youth;

(iii) Monitoring educational progress of participating youth;

(iv) Providing participating youth with school and local resources that may assist in educational access and success; and

(v) Coaching youth, caregivers, and social workers to advocate for dependent youth in the educational system.

(c) The contractor must report demonstration site outcomes to the department of social and health services and the office of the superintendent of public instruction by September 30, 2015, for the 2014-15 school year and by September 30, 2016, for the 2015-16 school year.

(d) The children's administration shall proactively refer all eligible students thirteen years or older within the demonstration site area to the contractor for educational services.

(e) The contractor shall report to the legislature by September 30, 2015, for the 2014-15 school year and by September 30, 2016, for the 2015-16 school year on the number of eligible youth referred by the children's administration, the number of youth served, and the effectiveness of the demonstration site in increasing graduation rates for dependent youth.

(16) The children's administration, office of the superintendent of public instruction, and student achievement council shall collaborate with the office of the attorney general, other governmental agencies, advocacy organizations, and others as needed to report to the legislature by December 1, 2015, on strategies to permit supplemental education transition planning for dependent youth to be administered by the student achievement council and the demonstration sites to be administered by the office of the superintendent of public instruction no later than June 30, 2016. The report shall assess the feasibility of transitioning the programs and recommend strategies to resolve data and information sharing barriers through legislative policy and professional practice.

(17) $334,000 of the general fund—state appropriation for fiscal year 2016, $548,000 of the general fund—state appropriation for fiscal year 2017, and $249,000 of the general fund—federal appropriation are provided solely for extended foster care services for eligible youth engaged in employment for eighty hours or more per month, pursuant to chapter 122, Laws of 2014.

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

(19) $841,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for a base rate increase and an increase in tiered reimbursement rates, levels three through five, for licensed family child care providers. This funding is for the supplemental agreement to the 2015-2017 collective bargaining agreement covering family child care providers as set forth in section 905 of this act.

(20)(a) The children's administration shall develop a plan, in consultation with providers, to improve placement stability and promote a continuum of care for children and youth who have experienced abuse and neglect and require long-term placement with behavioral supports. The plan shall include the following in regards to these children and youth:

(i) Analysis of the cost-effectiveness and outcomes of existing placement options;

(ii) Development of common and consistent assessment criteria for determining the necessary level of care;

(iii) Delineation of a continuity of care continuum;

(iv) Identification of gaps in services with recommended strategies and costs for addressing those gaps, and;

(v) Development of models for stabilizing funding, including forecasting models, for all components of the service continuum.

(b) The children's administration shall submit the plan to the appropriate legislative committees by December 1, 2016.

(21) $10,653,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the purpose of settling all claims and meeting the terms of the settlement agreement in the lawsuit *Perez v. Department of Social and Health Services*, United States District Court Western District of Washington at Tacoma, Cause No. 3:08-cv-05479-BHS, covering the payment of overtime for eligible class members and related employer taxes, retirement contributions, and other mandatory withholdings. Of the amount appropriated in this subsection, $9,750,000 is to pay to eligible class members back wages and statutory damages. The expenditure of this appropriation is contingent on the release of all claims in the case, and the total settlement costs paid to class members shall not exceed the designated amount provided in this subsection.

**Sec.**  2016 sp.s. c 36 s 203 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2016) $92,347,000

General Fund—State Appropriation (FY 2017) ((~~$90,892,000~~))

 $92,319,000

General Fund—Federal Appropriation $3,464,000

General Fund—Private/Local Appropriation $1,985,000

Washington Auto Theft Prevention Authority Account—

State Appropriation $196,000

Juvenile Accountability Incentive Account—Federal

Appropriation ((~~$2,801,000~~))

 $1,400,000

TOTAL APPROPRIATION ~~$191,685,000~~

 $191,711,000

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

(1) $331,000 of the general fund—state appropriation for fiscal year 2016 and $331,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

(2) $6,198,000 of the general fund—state appropriation for fiscal year 2016 and $6,198,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

(3) $1,130,000 of the general fund—state appropriation for fiscal year 2016 is provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. Funding for this purpose in fiscal year 2017 is provided through a memorandum of understanding with the department of social and health services alcohol and substance abuse program. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

(4) $3,123,000 of the general fund—state appropriation for fiscal year 2016 and $2,841,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for grants to county juvenile courts for the following juvenile justice programs identified by the Washington state institute for public policy (institute) in its report: "Inventory of Evidence-based, Research-based, and Promising Practices for Prevention and Intervention Services for Children and Juveniles in the Child Welfare, Juvenile Justice, and Mental Health Systems." Additional funding for this purpose in fiscal year 2017 is provided through a memorandum of understanding with the department of social and health services alcohol and substance abuse program. County juvenile courts shall apply to the juvenile rehabilitation administration for funding for program-specific participation and the administration shall provide grants to the courts consistent with the per-participant treatment costs identified by the institute.

(5) $1,537,000 of the general fund—state appropriation for fiscal year 2016 and $1,537,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for expansion of the following juvenile justice treatments and therapies in juvenile rehabilitation administration programs identified by the Washington state institute for public policy in its report: "Inventory of Evidence-based, Research-based, and Promising Practices for Prevention and Intervention Services for Children and Juveniles in the Child Welfare, Juvenile Justice, and Mental Health Systems." The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

(6)(a) The juvenile rehabilitation administration shall administer a block grant to county juvenile courts for the purpose of serving youth adjudicated in the county juvenile justice system. Funds dedicated to the block grant include: Consolidated juvenile service (CJS) funds, community juvenile accountability act (CJAA) grants, chemical dependency/mental health disposition alternative (CDDA), and suspended disposition alternative (SDA). The juvenile rehabilitation administration shall follow the following formula and will prioritize evidence-based programs and disposition alternatives and take into account juvenile courts program-eligible youth in conjunction with the number of youth served in each approved evidence-based program or disposition alternative: (i) Thirty-seven and one-half percent for the at-risk population of youth ten to seventeen years old; (ii) fifteen percent for moderate and high-risk youth; (iii) twenty-five percent for evidence-based program participation; (iv) seventeen and one-half percent for minority populations; (v) three percent for the chemical dependency disposition alternative; and (vi) two percent for the mental health and sentencing dispositional alternatives. Funding for the special sex offender disposition alternative (SSODA) shall not be included in the block grant, but allocated on the average daily population in juvenile courts. Funding for the evidence-based expansion grants shall be excluded from the block grant formula. Funds may be used for promising practices when approved by the juvenile rehabilitation administration and juvenile courts, through the community juvenile accountability act committee, based on the criteria established in consultation with Washington state institute for public policy and the juvenile courts.

(b) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee is to assess the ongoing implementation of the block grant funding formula, utilizing data-driven decision making and the most current available information. The committee will be cochaired by the juvenile rehabilitation administration and the juvenile courts, who will also have the ability to change members of the committee as needed to achieve its purpose. Initial members will include one juvenile court representative from the finance committee, the community juvenile accountability act committee, the risk assessment quality assurance committee, the executive board of the Washington association of juvenile court administrators, the Washington state center for court research, and a representative of the superior court judges association; two representatives from the juvenile rehabilitation administration headquarters program oversight staff, two representatives of the juvenile rehabilitation administration regional office staff, one representative of the juvenile rehabilitation administration fiscal staff and a juvenile rehabilitation administration division director. The committee may make changes to the formula categories other than the evidence-based program and disposition alternative categories if it is determined the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition alternative resulting in increased cost benefit savings to the state. Long-term cost benefit must be considered. Percentage changes may occur in the evidence-based program or disposition alternative categories of the formula should it be determined the changes will increase evidence-based program or disposition alternative delivery and increase the cost benefit to the state. These outcomes will also be considered in determining when evidence-based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

(c) The juvenile courts and administrative office of the courts shall be responsible for collecting and distributing information and providing access to the data systems to the juvenile rehabilitation administration and the Washington state institute for public policy related to program and outcome data. The juvenile rehabilitation administration and the juvenile courts will work collaboratively to develop program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(7) The juvenile courts and administrative office of the courts shall collect and distribute information related to program outcome and provide access to these data systems to the juvenile rehabilitation administration and Washington state institute for public policy. The agreements between administrative office of the courts, the juvenile courts, and the juvenile rehabilitation administration shall be executed to ensure that the juvenile rehabilitation administration receives the data that the juvenile rehabilitation administration identifies as needed to comply with this subsection. This includes, but is not limited to, information by program at the statewide aggregate level, individual court level, and individual client level for the purpose of the juvenile rehabilitation administration providing quality assurance and oversight for the locally committed youth block grant and associated funds and at times as specified by the juvenile rehabilitation administration as necessary to carry out these functions. The data shall be provided in a manner that reflects the collaborative work the juvenile rehabilitation administration and juvenile courts have developed regarding program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(8) $445,000 of the general fund—state appropriation for fiscal year 2016 and $445,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for funding of the teamchild project.

(9) $178,000 of the general fund—state appropriation for fiscal year 2016 and $178,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the juvenile detention alternatives initiative.

(10) $500,000 of the general fund—state appropriation for fiscal year 2016 and $500,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a grant program focused on criminal street gang prevention and intervention. The juvenile rehabilitation administration may award grants under this subsection. The juvenile rehabilitation administration shall give priority to applicants who have demonstrated the greatest problems with criminal street gangs. Applicants composed of, at a minimum, one or more local governmental entities and one or more nonprofit, nongovernmental organizations that have a documented history of creating and administering effective criminal street gang prevention and intervention programs may apply for funding under this subsection. Each entity receiving funds must report to the juvenile rehabilitation administration on the number and types of youth served, the services provided, and the impact of those services on the youth and the community.

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

(12) $250,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for implementation of Engrossed Substitute House Bill No. 2746 (juvenile offender treatment). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~))

**Sec.**  2016 sp.s. c 36 s 204 (uncodified) is amended to read as follows:

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

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund—State Appropriation (FY 2016) $310,977,000

General Fund—State Appropriation (FY 2017) ((~~$355,262,000~~))

 $343,084,000

General Fund—Federal Appropriation ((~~$1,011,270,000~~))

 $986,952,000

General Fund—Private/Local Appropriation $17,864,000

Dedicated Marijuana Account—State Appropriation

(FY 2016) $2,778,000

Dedicated Marijuana Account—State Appropriation

(FY 2017) $3,684,000

TOTAL APPROPRIATION ~~$1,701,835,000~~

 $1,665,339,000

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

(a) For the purposes of this subsection, the term "regional support networks," includes, effective April 1, 2016, behavioral health organizations which assume the duties of regional support networks pursuant to chapter 225, Laws of 2014 (2SSB 6312).

(b) $12,204,000 of the general fund—state appropriation for fiscal year 2016, $13,761,000 of the general fund—state appropriation for fiscal year 2017, and $17,918,000 of the general fund—federal appropriation are provided solely to reimburse regional support networks for increased utilization costs, as compared to utilization costs in fiscal year 2014, that are incurred in order to meet statutory obligations to provide individualized mental health treatment in appropriate settings to individuals who are detained or committed under the involuntary treatment act. Prior to distributing funds to a regional support network requesting reimbursement for costs relative to increased utilization, the department must receive adequate documentation of such increased utilization and costs. Regional support networks receiving funds for community hospitals or evaluation and treatment center beds under (p) of this subsection are only eligible for reimbursement that exceeds the total of their utilization costs in fiscal year 2014 and the costs of services provided with additional funds received under (p) of this subsection.

(c) $2,452,000 of the general fund—state appropriation for fiscal year 2016, $2,264,000 of the general fund—state appropriation for fiscal year 2017, and $2,653,000 of the general fund—federal appropriation are provided solely for implementation of chapter 258, Laws of 2015 (E2SSB 5269) (involuntary treatment act). Regional support networks must use these amounts for involuntary treatment costs associated with implementation of this bill.

(d) $3,776,000 of the general fund—state appropriation for fiscal year 2016, $5,780,000 of the general fund—state appropriation for fiscal year 2017, and $6,054,000 of the general fund—federal appropriation are provided solely for implementation of chapter 250, Laws of 2015 (E2SHB 1450) (involuntary outpatient treatment). Regional support networks must use these amounts for increases in community mental health treatment associated with implementation of this bill.

(e) $81,180,000 of the general fund—state appropriation for fiscal year 2016 and $81,180,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for persons and services not covered by the medicaid program. To the extent possible, levels of regional support network spending shall be maintained in the following priority order: Crisis and commitment services; community inpatient services; and residential care services, including personal care and emergency housing assistance. These amounts includes a reduction of $4,715,000 for fiscal year 2016 and $4,715,000 for fiscal year 2017 associated with a funding shift that allows for increased federal participation for community inpatient stays that were previously ineligible for federal matching funds. This reduction will be distributed to regional support networks based on the same proportions that were added to regional support network capitation ranges specific to the waiver that allowed for federal funds to be used for community inpatient stays that were previously ineligible for federal matching funds. The department must allow regional support networks to use medicaid capitation payments to provide services to medicaid enrollees that are in addition to those covered under the state plan in accordance with the conditions established under federal regulations governing medicaid managed care contracts and subject to federal approval by the center for medicaid and medicare services.

(f) $6,590,000 of the general fund—state appropriation for fiscal year 2016, $6,590,000 of the general fund—state appropriation for fiscal year 2017, and $7,620,000 of the general fund—federal appropriation are provided solely for the department and regional support networks to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to regional support networks with PACT teams, the department shall consider the differences between regional support networks in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The department may allow regional support networks which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under section 204(1)(e) of this act. The department and regional support networks shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

(g) The number of nonforensic beds allocated for use by regional support networks at eastern state hospital shall be 192 per day. The number of nonforensic beds allocated for use by regional support networks at western state hospital shall be 587 per day in fiscal year 2016. Pursuant to Engrossed Second Substitute House Bill No. 2453 (state hospital oversight) or Substitute Senate Bill No. 6656 (state hospital practices), the department must transition and divert enough patients with long term care needs from western state hospital by January 1, 2017, to reduce the capacity needed for this population by 30 beds and the department must reduce the number of nonforensic beds allocated for use by regional support networks at western state hospital to 557. The department may contract through a regional support network for up to 30 local community hospital beds to provide treatment to individuals on a 90 day involuntary commitment order and must lower that regional support network's allocation of beds by the number of contracted beds.

(h) From the general fund—state appropriations in this subsection, the secretary of social and health services shall assure that regional support networks reimburse the aging and disability services administration for the general fund—state cost of medicaid personal care services that enrolled regional support network consumers use because of their psychiatric disability.

(i) The department is authorized to continue to contract directly, rather than through contracts with regional support networks, for children's long-term inpatient facility services.

(j) $750,000 of the general fund—state appropriation for fiscal year 2016 and $750,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to continue performance-based incentive contracts to provide appropriate community support services for individuals with severe mental illness who were discharged from the state hospitals as part of the expanding community services initiative. These funds will be used to enhance community residential and support services provided by regional support networks through other state and federal funding.

(k) $1,125,000 of the general fund—state appropriation for fiscal year 2016 and $1,125,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Spokane regional support network to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

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

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

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

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

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

(l) $1,204,000 of the general fund—state appropriation for fiscal year 2016 and $1,204,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day commitment hearings at the state psychiatric hospitals.

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

(n) $2,291,000 of the general fund—state appropriation for fiscal year 2016 and $2,291,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement.

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

(p) $9,184,000 of the general fund—state appropriation for fiscal year 2016, $11,405,000 of the general fund—state appropriation for fiscal year 2017, and $17,680,000 of the general fund—federal appropriation are provided solely for enhancement of community mental health services. The department must contract these funds for the operation of community programs in which the department determines there is a need for capacity that allows individuals to be diverted or transitioned from the state hospitals including but not limited to: (i) Community hospital or free standing evaluation and treatment services providing short-term detention and commitment services under the involuntary treatment act to be located in the geographic areas of the King regional support network, the Spokane regional support network outside of Spokane county, and the Thurston Mason regional support network; (ii) one new full program of an assertive community treatment team in the King regional support network and two new half programs of assertive community treatment teams in the Spokane regional support network and the Pierce regional support network; and (iii) three new recovery support services programs in the Grays Harbor regional support network, the greater Columbia regional support network, and the north sound regional support network. In contracting for community evaluation and treatment services, the department may not use these resources in facilities that meet the criteria to be classified under federal law as institutions for mental diseases. If the department is unable to come to a contract agreement with a designated regional support network for any of the services identified above, it may consider contracting for that service in another regional support network that has the need for such service.

(q) The appropriations in this section include a reduction of $16,462,000 in general fund—state and $16,468,000 of general fund—federal expenditure authority. This reduction must be achieved by reducing regional support network medicaid rates for disabled adults, nondisabled adults, disabled children, and nondisabled children. No regional support network rate may be lowered below the low end of the rate range that is certified as actuarially sound. The department must work to develop updated minimum and maximum reserve levels that reflect the changes in the number of medicaid eligible individuals since reserve levels were originally set as well as the integration of substance use disorder services into managed care contracts funded within the amounts appropriated in this section. The department must submit a report to the office of financial management and the appropriate fiscal committees of the legislature by December 1, 2015, that includes the revised minimum and maximum reserve levels for medicaid and nonmedicaid behavioral health organization contracts.

(r) $300,000 of the general fund—state appropriation for fiscal year 2016, $1,394,000 of the general fund—state appropriation for fiscal year 2017, and $2,020,000 of the general fund—federal appropriation are provided solely for implementation of chapter 7, Laws of 2015 1st sp. sess. (2E2SSB 5177) (timeliness of competency evaluation and restoration services). Regional support networks must use the amounts for outpatient mental health treatment costs associated with implementation of the bill.

(s) $1,500,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to support the southwest Washington region in transitioning to become an early adopter for full integration of physical and behavioral health care. These amounts must be used to provide a reserve for nonmedicaid services in the region and to stabilize the new crisis services system. The department and the health care authority must develop a memorandum of understanding on the use of these funds.

(t) By April 1, 2016, the department must establish minimum and maximum funding levels for all reserves allowed under behavioral health organization contracts and insert contract language that clearly states the requirements and limitations. The department must monitor and ensure that behavioral health organization reserves do not exceed maximum levels. The department must monitor behavioral health organization revenue and expenditure reports and must require a behavioral health organization to submit a corrective action plan on how it will spend its excess reserves within a reasonable period of time, when its reported reserves exceed maximum levels established under the contract. The department must review and approve such plans and monitor to ensure compliance. If the department determines that a behavioral health organization has failed to provide an adequate excess reserve corrective action plan or is not complying with an approved plan, the department must reduce payments to the behavioral health organization in accordance with remedial actions provisions included in the contract. These reductions in payments must continue until the department determines that the behavioral health organization has come into substantial compliance with an approved excess reserve corrective action plan.

(u) $2,000,000 of the general fund—state appropriation for fiscal year 2017 and $762,000 of the general fund—federal appropriation for fiscal year 2017 are provided solely for four housing support and step down services teams.

(v) $1,760,000 of the general fund—federal appropriation is provided solely for a pilot project to put peer bridging staff into each regional support network as part of the state psychiatric liaison teams to promote continuity of service as individuals return to their communities. The department must collect and make available data on the impact of peer staff on state hospital discharges and community placements.

(w) $417,000 of the general fund—state appropriation for fiscal year 2017 and $179,000 of the general fund—federal appropriation are provided solely for implementation of Second Substitute House Bill No. 1448 (suicide threat response). ((~~If the bill is not enacted by June 30, 2016, the amounts provided in this subsection shall lapse.~~))

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2016) $178,731,000

General Fund—State Appropriation (FY 2017) ((~~$196,851,000~~))

 $206,636,000

General Fund—Federal Appropriation ((~~$165,365,000~~))

 $167,693,000

General Fund—Private/Local Appropriation ((~~$49,742,000~~))

 $51,180,000

Governor's Behavioral Health Innovation Fund—State

Appropriation $6,777,000

TOTAL APPROPRIATION ~~$597,466,000~~

 $611,017,000

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

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

(b) $231,000 of the general fund—state appropriation for fiscal year 2016 and $231,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood.

(c) $45,000 of the general fund—state appropriation for fiscal year 2016 and $45,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

(d) $9,571,000 of the general fund—state appropriation for fiscal year 2016 and $17,287,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of efforts to improve the timeliness of competency restoration services pursuant to chapter 5, Laws of 2015 (SSB 5889) (timeliness of competency treatment and evaluation services). This funding must be used to increase the number of forensic beds at western state hospital to three hundred thirty and the number of forensic beds at eastern state hospital to one hundred twenty-five by June 30, 2017. Pursuant to chapter 7, Laws of 2015 1st sp. sess. (2E2SSB 5177) (timeliness of competency treatment and evaluation services), the department may contract some of these amounts for services at alternative locations if the secretary determines that there is a need.

(e) $2,349,000 of the general fund—state appropriation for fiscal year 2016 and $2,318,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of efforts to improve the timeliness of competency evaluation services for individuals who are in local jails pursuant to chapter 5, Laws of 2015 (SSB 5889) (timeliness of competency treatment and evaluation services). This funding must be used solely to increase the number of staff providing competency evaluation services.

(f) $135,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the department to hire an on-site safety compliance officer, stationed at Western State Hospital, to provide oversight and accountability of the hospital's response to safety concerns regarding the hospital's work environment.

(g) $600,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the department to contract with the University of Washington department of psychiatry and behavioral sciences. The University of Washington shall conduct an analysis and develop a plan to create a high quality forensic teaching unit in collaboration with Western State Hospital. The plan shall include an appraisal of risks, barriers, and benefits to implementation as well as an implementation timeline. The University of Washington shall report to the department, the office of financial management, and relevant policy and fiscal committees of the legislature on findings and recommendations by November 1, 2017.

(h) $6,777,000 of the governor's behavioral health innovation fund appropriation is provided solely to improve the quality of care, patient and staff safety, and the efficiency of operations at the state hospitals pursuant to Engrossed Second Substitute House Bill No. 2453 (state hospital oversight) or Substitute Senate Bill No. 6656 (state hospital practices). In accordance with Engrossed Second Substitute House Bill No. 2453 or Substitute Senate Bill No. 6656, the department must apply to and receive approval from the office of financial management prior to expending appropriations from this account. If neither bill is enacted by June 30, 2016, the amounts provided in this subsection shall lapse. It is the intent of the legislature that the ongoing costs of services that are implemented through these amounts be considered as maintenance level in the fiscal year 2017-2019 operating budget.

(i) $510,000 of the general fund—state appropriation for fiscal year 2016 and $6,256,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to increase the number of funded registered nurses at western state hospital by 51 positions by July 1, 2016. If the department is unable to fill these positions by July 1, 2016, the department may develop an alternative plan for spending the amount proportional to the positions that are not filled. This plan must be submitted to the office of financial management following the same process established in Engrossed Second Substitute House Bill No. 2453 (state hospital oversight) or Substitute Senate Bill No. 6656 (state hospital practices) for applying for funds in the Governor's behavioral health innovation fund. The office of financial management may, after receiving input from the select committee created in Engrossed Second Substitute House Bill No. 2453 or Substitute Senate Bill No. 6656, approve that an amount proportional to the positions that are not filled be spent on the department's alternative plan.

(j) $791,000 of the general fund—state appropriation for fiscal year 2016, $1,456,000 of the general fund—state appropriation for fiscal year 2017, and $199,000 of the general fund—federal appropriation are provided solely for the unilateral implementation of targeted job classification compensation increases as set forth in section 903 of this act, effective December 1, 2015, at eastern and western state hospitals. The legislature recognizes that the compensation increases were necessitated by an emergency and an imminent jeopardy determination by the centers for medicare and medicaid services that relates to the safety and health of clients and employees.

(k) $611,000 of the general fund—state appropriation for fiscal year 2016, $2,264,000 of the general fund—state appropriation for fiscal year 2017, and $250,000 of the general fund—federal appropriation are provided solely for the implementation of a memorandum of understanding between the governor and the service employees international union healthcare 1199nw amending the collective bargaining agreement under chapter 41.80 RCW for the 2015-2017 fiscal biennium as set forth in section 902 of this act, effective December 1, 2015, at eastern and western state hospitals and the child study treatment center. The legislature recognizes that the memorandum of understanding was necessitated by an emergency and an imminent jeopardy determination by the center for medicare and medicaid services that relates to the safety and health of clients and employees.

(l) $3,789,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to improve western state hospital patient and employee safety by opening a civil ward in order to reduce the patients per ward.

(m) $224,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the department to hire two staff for western state hospital dedicated to discharge planning and coordination efforts between other parts of the department and with the regional support networks to more efficiently and properly discharge patients determined ready to go back to their communities.

(n) $1,900,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the fifteen percent assignment pay increase for psychiatrist classifications at eastern and western state hospital granted during fiscal year 2015.

(o) $891,000 of the general fund—state appropriation for fiscal year 2016, $1,600,000 of the general fund—state appropriation for fiscal year 2017, and $211,000 of the general fund—federal appropriation are provided solely for implementation of a new memorandum of understanding between the state and the union of physicians of Washington to increase compensation for physician and psychiatrist classifications under chapter 41.80 RCW for the 2015-2017 fiscal biennium pursuant to section 901 of this act. The memorandum of understanding reached between the state and the union of physicians of Washington effective December 1, 2015, is not approved. The amounts provided in this subsection are contingent on the state and the union of physicians of Washington reaching an agreement by June 30, 2016, that allows psychiatric advanced registered nurse practitioners and physician assistants to perform work and tasks that are currently or have been historically performed by physicians and psychiatrists at the state hospitals.

(p) $19,000 of the general fund—state appropriation for fiscal year 2017 and $1,000 of the general fund—federal appropriation are provided solely for nonrepresented state employees in targeted state employee job classifications as set forth in section 906 of this act.

(3) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2016) $477,000

General Fund—State Appropriation (FY 2017) $490,000

General Fund—Federal Appropriation ((~~$7,391,000~~))

 $8,274,000

TOTAL APPROPRIATION ~~$8,358,000~~

 $9,241,000

The appropriations in this subsection are subject to the following conditions and limitations: $446,000 of the general fund—state appropriation for fiscal year 2016, $446,000 of the general fund—state appropriation for fiscal year 2017, and $178,000 of the general fund—federal appropriation are provided solely for the University of Washington's evidence-based practice institute which supports the identification, evaluation, and implementation of evidence-based or promising practices. The institute must work with the department to develop a plan to seek private, federal, or other grant funding in order to reduce the need for state general funds.

(4) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2016) $9,779,000

General Fund—State Appropriation (FY 2017) ((~~$9,120,000~~))

 $9,874,000

General Fund—Federal Appropriation ((~~$12,025,000~~))

 $12,396,000

General Fund—Private/Local Appropriation $502,000

TOTAL APPROPRIATION ~~$31,426,000~~

 $32,551,000

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

(a) In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to adopt license and certification fees in fiscal years 2016 and 2017 to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower costs of licensing for these programs than for other organizations which are not accredited.

(b) In developing the new medicaid managed care rates under which the public mental health managed care system will operate, the department must seek to estimate the reasonable and necessary cost of efficiently and effectively providing a comparable set of medically necessary mental health benefits to persons of different acuity levels regardless of where in the state they live. The department must report to the office of financial management and to the relevant fiscal and policy committees of the legislature on its proposed new mental health managed care rate-setting approach by August 1, 2015, and again at least sixty days prior to implementation of new capitation rates.

(c) Within the amounts appropriated in this section, funding is provided for the department to continue to develop the child adolescent needs and strengths assessment tool and build workforce capacity to provide evidence based wraparound services for children, consistent with the settlement agreement in *T.R. v. Dreyfus and Porter*.

(d) Pursuant to Engrossed Second Substitute House Bill No. 2453 (state hospital oversight) or Substitute Senate Bill No. 6656 (state hospital practices), $260,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the department to contract with an external consultant to examine the clinical role of staffing at the state hospitals. The consultant shall report to the department, the office of financial management, and relevant legislative policy and fiscal committees on the consultant's findings and recommendations in accordance with the timelines established in Engrossed Second Substitute House Bill No. 2453 or Substitute Senate Bill No. 6656.

**Sec.**  2016 sp.s. c 36 s 205 (uncodified) is amended to read as follows:

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

(1) COMMUNITY SERVICES

General Fund—State Appropriation (FY 2016) $515,567,000

General Fund—State Appropriation (FY 2017) ((~~$575,185,000~~))

 $562,776,000

General Fund—Federal Appropriation ((~~$1,098,035,000~~))

 $1,085,142,000

General Fund—Private/Local Appropriation $534,000

TOTAL APPROPRIATION ~~$2,189,321,000~~

 $2,164,019,000

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

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

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

(i) The current annual renewal license fee for adult family homes shall be $225 per bed beginning in fiscal year 2016 and $225 per bed beginning in fiscal year 2017. A processing fee of $2,750 shall be charged to each adult family home when the home is initially licensed. This fee is nonrefundable.

(ii) The current annual renewal license fee for assisted living facilities shall be $106 per bed beginning in fiscal year 2016 and $106 per bed beginning in fiscal year 2017.

(iii) The current annual renewal license fee for nursing facilities shall be $359 per bed beginning in fiscal year 2016 and $359 per bed beginning in fiscal year 2017.

(c) $8,571,000 of the general fund—state appropriation for fiscal year 2016, $18,181,000 of the general fund—state appropriation for fiscal year 2017, and $33,427,000 of the general fund—federal appropriation are provided solely for the implementation of the agreement reached between the governor and the service employees international union healthcare 775nw under the provisions of chapters 74.39A and 41.56 RCW for the 2015-2017 fiscal biennium.

(d) The department shall reimburse with the exceptional care rate adult family homes that provided care solely to clients with HIV/AIDS on or before January 1, 2000, and continue to provide care solely to clients with HIV/AIDS. The department shall not reduce the exceptional care rate from the rate paid on October 1, 2013.

(e) $774,000 of the general fund—state appropriation for fiscal year 2016, $1,547,000 of the general fund—state appropriation for fiscal year 2017, and $7,185,000 of the general fund—federal appropriation are provided solely for a payment system that satisfies medicaid requirements regarding time reporting for W-2 providers. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(f) $1,184,000 of the general fund—state appropriation for fiscal year 2016, $2,483,000 of the general fund—state appropriation for fiscal year 2017, and $4,638,000 of the general fund—federal appropriation are provided solely for the homecare agency parity impacts of the agreement between the governor and the service employees international union healthcare 775nw.

(g) The department is authorized to establish limited exemption criteria in rule to address RCW 74.39A.325 when a landline phone is not available to the employee.

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

(i) The department of social and health services shall increase the benchmark rates for community residential service businesses providing supported living, group home, and licensed staff residential services for people with developmental disabilities by sixty cents starting July 1, 2015, and by an additional sixty cents starting July 1, 2016.

(j) The department of social and health services shall standardize the administrative rate for community residential service businesses providing supported living, group home, and licensed staff residential services for people with developmental disabilities starting July 1, 2015.

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

(l) Within the amounts provided in this subsection, the developmental disabilities administration must prepare a report that describes options for modifying the current system of pre-vocational services for individuals with developmental disabilities. The developmental disabilities administration must not transition clients receiving pre-vocational services into integrated settings until the conclusion of the 2016 legislative session, unless there is a group supported employment, individual employment, or community access opportunity that is supported by the client and his or her legal representative. If a client transitions out of a congregate setting prior to December 1, 2016, then for each client, during the period before and after leaving the congregate setting, the report must describe the hours of service, hours worked, hourly wage, monthly earnings, authorized waiver services, and per capita expenditures. The report must be submitted to the appropriate fiscal and policy committees of the legislature by January 1, 2016. At a minimum, the report must describe the following options:

(i) Modify the current system to ensure compliance with rules established by the centers for medicare and medicaid services;

(ii) Continue the current system without federal matching funds; and

(iii) Transition clients out of congregate settings and into integrated settings. Under this option, the report must describe an anticipated phase-out schedule and medicaid waiver services that could be authorized to mitigate the impact for transitioning clients.

(m) The department shall establish new rules and standards to ensure that adult family homes are monitored and licensed to meet the needs of young adults with a developmental disability. These adult family homes may require a package of services including specialized care assessment and planning, personal care, specialized environmental features, and accommodations.

(n) $650,000 of the general fund—state appropriation for fiscal year 2016, $650,000 of the general fund—state appropriation for fiscal year 2017, and $800,000 of the general fund—federal appropriation are provided solely for the development and implementation of eight enhanced respite beds across the state for children. These services are intended to provide families and caregivers with a break in caregiving, the opportunity for behavioral stabilization of the child, and the ability to partner with the state in the development of an individualized service plan that allows the child to remain in his or her family home. The department must provide the legislature with a respite utilization report by January 2, 2016, and each year thereafter that provides information about the number of children who have used enhanced respite in the preceding year, as well as the location and number of days per month that each respite bed was occupied.

(o) $550,000 of the general fund—state appropriation for fiscal year 2016, $550,000 of the general fund—state appropriation for fiscal year 2017, and $700,000 of the general fund—federal appropriation are provided solely for the development and implementation of eight community respite beds across the state for adults. These services are intended to provide families and caregivers with a break in caregiving and the opportunity for stabilization of the individual in a community-based setting as an alternative to using a residential habilitation center to provide planned or emergent respite. The department must provide the legislature with a respite utilization report by January 2, 2016, and each year thereafter that provides information about the number of individuals who have used community respite in the preceding year, as well as the location and number of days per month that each respite bed was occupied.

(p) $46,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of either Substitute Senate Bill No. 6329 (parent-to-parent) or House Bill No. 2394 (parent-to-parent program). ((~~If neither bill is enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~))

(q) $901,000 of the general fund—state appropriation for fiscal year 2017 and $601,000 of the general fund—federal appropriation are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 6564 (providing protections for persons with developmental disabilities). ((~~If this bill is not enacted by June 30, 2016, the amounts provided in this subsection shall lapse.~~))

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2016) $94,973,000

General Fund—State Appropriation (FY 2017) ((~~$98,257,000~~))

 $97,713,000

General Fund—Federal Appropriation ((~~$180,543,000~~))

 $180,170,000

General Fund—Private/Local Appropriation $23,041,000

TOTAL APPROPRIATION ~~$396,814,000~~

 $395,897,000

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

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

(b) $721,000 of the general fund—state appropriation for fiscal year 2016 and $721,000 of the general fund—state appropriation for fiscal year 2017 are for the department to fulfill its contracts with the school districts under chapter 28A.190 RCW to provide transportation, building space, and other support services as are reasonably necessary to support the educational programs of students living in residential habilitation centers.

(c) $558,000 of the general fund—state appropriation for fiscal year 2016, $558,000 of the general fund—state appropriation for fiscal year 2017, and $1,074,000 of the general fund—federal appropriation are for specialized services required by the centers for medicare and medicaid services as a result of preadmission screening and resident review assessments.

(d) $2,978,000 of the general fund—state appropriation for fiscal year 2016, $2,978,000 of the general fund—state appropriation for fiscal year 2017, and $5,956,000 of the general fund—federal appropriation are for additional staff to ensure compliance with centers for medicare and medicaid services requirements for habilitation, nursing care, staff safety, and client safety at the residential habilitation centers.

(e) The residential habilitation centers may use funds appropriated in this subsection to purchase goods and supplies through hospital group purchasing organizations when it is cost-effective to do so.

(f) $100,000 of the general fund—state appropriation for fiscal year 2016, $100,000 of the general fund—state appropriation for fiscal year 2017, and $200,000 of the general fund—federal appropriation are provided solely for respite services in an existing eight-bed cottage at Yakima valley school for individuals who are developmentally disabled and in need of crisis stabilization support.

(g) $834,000 of the general fund—state appropriation for fiscal year 2017 and $833,000 of the general fund—federal appropriation are provided solely for an additional eight planned respite beds at Yakima valley school.

(3) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2016) $2,604,000

General Fund—State Appropriation (FY 2017) ((~~$2,422,000~~))

 $2,348,000

General Fund—Federal Appropriation ((~~$3,164,000~~))

 $3,148,000

TOTAL APPROPRIATION ~~$8,190,000~~

 $8,100,000

(4) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2016) $92,000

General Fund—State Appropriation (FY 2017) ((~~$55,000~~))

 $201,000

General Fund—Federal Appropriation ((~~$1,103,000~~))

 $1,250,000

TOTAL APPROPRIATION ~~$1,250,000~~

 $1,543,000

**Sec.**  2016 sp.s. c 36 s 206 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—AGING AND ADULT SERVICES PROGRAM**

General Fund—State Appropriation (FY 2016) $909,817,000

General Fund—State Appropriation (FY 2017) ((~~$1,030,159,000~~))

 $986,496,000

General Fund—Federal Appropriation ((~~$2,385,151,000~~))

 $2,343,754,000

General Fund—Private/Local Appropriation $33,797,000

Traumatic Brain Injury Account—State Appropriation $3,968,000

Skilled Nursing Facility Safety Net Trust Account—

State Appropriation $133,360,000

TOTAL APPROPRIATION ~~$4,497,252,000~~

 $4,411,192,000

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

(1) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed $178.87 for fiscal year 2016 and shall not exceed $197.33 for fiscal year 2017. There will be no adjustments for economic trends and conditions in fiscal years 2016 and 2017. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the component rate allocations established in accordance with chapter 74.46 RCW. When no economic trends and conditions factor for either fiscal year is defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

(a) For fiscal year 2016 within the funds provided, the department shall continue to provide an add-on per medicaid resident day per facility not to exceed $1.57. The add-on shall be used to increase wages, benefits, and/or staffing levels for certified nurse aides; or to increase wages and/or benefits for dietary aides, housekeepers, laundry aides, or any other category of worker whose statewide average dollars-per-hour wage was less than $15 in calendar year 2008, according to cost report data. The add-on may also be used to address resulting wage compression for related job classes immediately affected by wage increases to low-wage workers. For fiscal year 2016 within funds provided, the department shall provide an additional add-on per medicaid resident day per facility not to exceed the industry weighted average rate of $2.44. The add-on shall be used to increase wages, benefits, and/or staffing levels for certified nurse aides; or to increase wages and/or benefits for dietary aides, housekeepers, laundry aides, or any other category of worker whose statewide average dollars-per-hour wage was less than $17 in calendar year 2012, according to cost report data. The department shall continue reporting requirements and a settlement process to ensure that the funds are spent according to this subsection.

(b) The department shall do a comparative analysis of the facility-based payment rates calculated on July 1, 2015, using the payment methodology defined in chapter 74.46 RCW and as funded in the omnibus appropriations act, excluding the low wage worker add-on found in (a) of this subsection, the rate add-ons for direct care, support services, and therapy care found in (g) of this subsection, the comparative add-on, acuity add-on, and safety net reimbursement, to the facility-based payment rates in effect June 30, 2010. For fiscal year 2016, if the facility-based payment rate calculated on July 1, 2015, is smaller than the facility-based payment rate on June 30, 2010, then the difference shall be provided to the individual nursing facilities as an add-on payment per medicaid resident day.

(c) During the comparative analysis performed in subsection (b) of this section, for fiscal year 2016, if it is found that the direct care rate for any facility calculated using the payment methodology defined in chapter 74.46 RCW and as funded in the omnibus appropriations act, excluding the low wage worker add-on found in (a) of this subsection, the rate add-ons for direct care, support services, and therapy care found in (g) of this subsection, the comparative add-on, acuity add-on, and safety net reimbursement, is greater than the direct care rate in effect on June 30, 2010, then the facility shall receive a ten percent direct care rate add-on to compensate that facility for taking on more acute clients than they have in the past.

(d) The department shall provide a medicaid rate add-on to reimburse the medicaid share of the skilled nursing facility safety net assessment as a medicaid allowable cost. The nursing facility safety net rate add-on may not be included in the calculation of the annual statewide weighted average nursing facility payment rate.

(e) The rate add-on provided in (c) of this subsection is subject to the reconciliation and settlement process provided in RCW 74.46.022(6).

(f) If the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment is for any reason disapproved, (b), (c), (d), (g), and the fiscal year 2016 additional add-on in (a) of this subsection do not apply.

(g) For fiscal year 2016, the department shall provide the following rate add-ons per medicaid resident day:

(i) A direct care rate add-on of $3.63 per medicaid resident day;

(ii) A support services rate add-on of $1.12 per medicaid resident day; and

(iii) A therapy care rate add-on of $0.05 per patient day.

This subsection (1)(g) is subject to the reconciliation and settlement process provided in RCW 74.46.022(6).

(h) Beginning July 1, 2016, a nursing home provider's direct care rate shall be set so that it does not exceed one hundred and eighteen percent of its base year's direct care allowable costs except if the provider is below the minimum staffing standard established in RCW 74.42.360(2).

(2) In accordance with chapter 74.46 RCW, the department shall issue no additional certificates of capital authorization for fiscal year 2016 and no new certificates of capital authorization for fiscal year 2017 and shall grant no rate add-ons to payment rates for capital improvements not requiring a certificate of need and a certificate of capital authorization for fiscal years 2016 and 2017.

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

(a) The current annual renewal license fee for adult family homes shall be $225 per bed beginning in fiscal year 2016 and $225 per bed beginning in fiscal year 2017. A processing fee of $2,750 shall be charged to each adult family home when the home is initially licensed. This fee is nonrefundable.

(b) $193,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to the department to implement a new processing fee of $700 when adult family home providers file a change of ownership application.

(c) The current annual renewal license fee for assisted living facilities shall be $106 per bed beginning in fiscal year 2016 and $106 per bed beginning in fiscal year 2017.

(d) The current annual renewal license fee for nursing facilities shall be $359 per bed beginning in fiscal year 2016 and $359 per bed beginning in fiscal year 2017.

(4) The department is authorized to place long-term care clients residing in nursing homes and paid for with state only funds into less restrictive community care settings while continuing to meet the client's care needs.

(5) $3,095,000 of the general fund—state appropriation for fiscal year 2017 and $3,095,000 of the general fund—federal appropriation are provided within existing appropriations solely to exempt the five highest acuity resource utilization group categories (beginning with PC2 through PE2) from the adjustment to case mix index per RCW 74.46.485. Nursing homes shall be required to notify the department's identified home and community services division contact within 30 days of a medicaid resident being identified in one of the five lowest resource utilization group categories (beginning with PA1 through PC1). The department shall complete an assessment of those residents who desire to transition into a community setting. The department shall identify within 30 days whether an alternate setting of the client's choosing is available to meet the resident's needs. Nursing homes shall work collaboratively with the department to transition into the community at least ninety-six residents, assessed in the five lowest acuity resource utilization group categories (PA1 through PC1). For the first two quarters of fiscal year 2017, the downward adjustment shall be no greater than thirteen percent. If, after the first two quarters of fiscal year 2017, the department determines the nursing homes are not making sufficient progress towards moving ninety-six residents from the five lowest resource utilization group categories (PA1 through PC1) into the community, the department is authorized to increase the downward adjustment to no greater than twenty percent for the lowest four resource utilization group categories (PA1 through PB2).

(6) $19,747,000 of the general fund—state appropriation for fiscal year 2016, $41,807,000 of the general fund—state appropriation for fiscal year 2017, and $76,770,000 of the general fund—federal appropriation are provided solely for the implementation of the agreement reached between the governor and the service employees international union healthcare 775nw under the provisions of chapters 74.39A and 41.56 RCW for the 2015-2017 fiscal biennium.

(7) $1,840,000 of the general fund—state appropriation for fiscal year 2016 and $1,877,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for operation of the volunteer services program. Funding shall be prioritized towards serving populations traditionally served by long-term care services to include senior citizens and persons with disabilities.

(8) $2,447,000 of the general fund—state appropriation for fiscal year 2016, $4,894,000 of the general fund—state appropriation for fiscal year 2017, and $22,725,000 of the general fund—federal appropriation are provided solely for a payment system that satisfies medicaid requirements regarding time reporting for W-2 providers. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(9) The department is authorized to establish limited exemption criteria in rule to address RCW 74.39A.325 when a landline phone is not available to the employee.

(10) $7,552,000 of the general fund—state appropriation for fiscal year 2016, $15,974,000 of the general fund—state appropriation for fiscal year 2017, and $29,742,000 of the general fund—federal appropriation are provided solely for the homecare agency parity impacts of the agreement between the governor and the service employees international union healthcare 775nw.

(11) Within the amounts appropriated in this section of the general fund—state appropriation for fiscal years 2016 and 2017, the department shall assist the legislature to continue the work of the joint legislative executive committee on planning for aging and disability issues that is established by this subsection.

(a) A joint legislative executive committee on aging and disability is continued, with members as provided in this subsection.

(i) Four members of the senate, with the leaders of the two largest caucuses each appointing two members. Four members of the house of representatives, with the leaders of the two largest caucuses each appointing two members;

(ii) A member from the office of the governor, appointed by the governor;

(iii) The secretary of the department of social and health services or his or her designee;

(iv) The director of the health care authority or his or her designee;

(v) A member from disability rights Washington and a member from the long-term care ombuds;

(vi) The insurance commissioner or his or her designee, who shall serve as an ex officio member; and

(vii) Other agency directors or designees as necessary.

(b) The committee must make recommendations and continue to identify key strategic actions to prepare for the aging of the population in Washington, including state budget and policy options, by conducting at least, but not limited to, the following tasks:

(i) Identify strategies to better serve the health care needs of an aging population and people with disabilities to promote healthy living and palliative care planning;

(ii) Identify policy options to create financing mechanisms for long-term service and supports that allow individuals and families to meet their needs for service;

(iii) Identify policies to promote financial security in retirement, support people who wish to stay in the workplace longer, and expand the availability of workplace retirement savings plans;

(iv) Identify implementation strategies for the Bree collaborative palliative care and related guidelines;

(v) Review the regulation of continuing care retirement communities and ways to protect those who reside in them, including the consideration of effective disclosures to residents;

(vi) Identify the needs of older people and people with disabilities for high quality public and private guardianship services and information about assisted decision-making options;

(vii) Identify options for promoting client safety through residential care services and consider methods of protecting older people and people with disabilities from physical abuse and financial exploitation; and

(viii) Identify other policy options and recommendations to help communities adapt to the aging demographic in planning for housing, land use, and transportation.

(c) Staff support for the committee shall be provided by the office of program research, senate committee services, the office of financial management, and the department of social and health services.

(d) Within existing appropriations, the cost of meetings must be paid jointly by the senate, house of representatives, and the office of financial management. Joint committee expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees. The joint committee members may be reimbursed for travel expenses as authorized under RCW 43.03.050 and 43.03.060, and chapter 44.04 RCW as appropriate. Advisory committee members may not receive compensation or reimbursement for travel and expenses.

(e) At least one committee meeting must be devoted to a discussion of strategies to improve the quality of care, client safety and well-being, and staff safety within all community and institutional settings. During the meeting, committee members must receive a comprehensive review of findings since fiscal year 2010 by the centers for medicare and medicaid services, and residential care services, in community settings, nursing homes, and each of the residential habilitation centers, with an emphasis on medical errors, inconsistencies between service plans and services provided, the use of restraints, and existence of hazardous environmental conditions.

(f) The committee shall issue an addendum report to the legislature by December 10, 2015, and issue final recommendations to the governor and relevant standing committees of the legislature by December 10, 2016. The addendum report to the legislature must include the following:

(i) A description of the oversight role for residential care services, the long-term care ombuds, the centers for medicare and medicaid services, and disability rights Washington;

(ii) From the provider perspective, and the perspective of a state agency, an overview of the process for reviewing and responding to findings by residential care services and the centers for medicare and medicaid services;

(iii) A description of the process for notifying the office of the governor and the legislature when problems with quality of care, client safety and well-being, or staff safety arise within community or institutional settings;

(iv) A compilation of findings since fiscal year 2010 by the centers for medicare and medicaid services, and residential care services, at the residential habilitation centers, nursing facilities, supported living, assisted living, group homes, companion homes, adult family homes, and all other community based providers;

(v) An annotated and detailed list of all responses to findings by the centers for medicare and medicaid services, and residential care services, specific to audits of the nursing facility at lakeland village since fiscal year 2010;

(vi) Review the regulation of continuing care retirement communities and ways to protect those who reside in them, including the consideration of effective disclosures to residents;

(vii) Identify the needs of older people and people with disabilities for high quality public and private guardianship services and information about assisted decision-making options;

(viii) Identify options for promoting client safety through residential care services and consider methods of protecting older people and people with disabilities from physical abuse and financial exploitation; and

(ix) A description of the method in place to ascertain the outcome of responses to findings.

(12) $5,094,000 of the general fund—state appropriation for fiscal year 2016 and $5,094,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for services and support to individuals who are deaf, hard of hearing, or deaf-blind.

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

(14) The department shall reimburse with the exceptional care rate adult family homes that provided care solely to clients with HIV/AIDS on or before January 1, 2000, and continue to provide care solely to clients with HIV/AIDS. The department shall not reduce the exceptional care rate from the rate paid on October 1, 2013.

(15)(a) $100,000 of the general fund—state appropriation for fiscal year 2016, $100,000 of the general fund—private/local appropriation, and $200,000 of the general fund—federal appropriation are provided solely for the department of social and health services to contract for an independent feasibility study and actuarial modeling of public and private options for leveraging private resources to help individuals prepare for long-term services and supports needs. The study must model two options: (i) A public long-term care benefit for workers, funded through a payroll deduction that would provide a time-limited long-term care insurance benefit; and (ii) a public-private reinsurance or risk-sharing model, with the purpose of providing a stable and ongoing source of reimbursement to insurers for a portion of their catastrophic long-term services and supports losses in order to provide additional insurance capacity for the state.

(b) The report must include input from the joint committee on aging and disability and other interested stakeholders. The report must also include an analysis of each option based on: (i) The expected costs and benefits for participants; (ii) the total anticipated number of participants; (iii) the projected savings to the state medicaid program, if any; and (iv) legal and financial risks to the state.

(c) The department must provide status updates to the joint legislative executive committee on aging and disability. The feasibility study and actuarial analysis shall be completed and submitted to the department of social and health services by December 20, 2016. The department shall submit a report, including the director's findings and recommendations based on the feasibility study and actuarial analysis, to the governor and the legislature by January 1, 2017.

(16) $6,195,000 of the general fund—state appropriation for fiscal year 2016, $13,195,000 of the general fund—state appropriation for fiscal year 2017, and $20,288,000 of the general fund—federal appropriation are provided solely to implement House Bill No. 1274 (nursing home payment rates).

(17) Within available funds, the aging and long term support administration must create a unit within adult protective services that specializes in the investigation of financial abuse allegations and self-neglect allegations.

(18) $58,000 of the general fund—state appropriation for fiscal year 2016, $58,000 of the general fund—state appropriation for fiscal year 2017, and $114,000 of the general fund—federal appropriation are provided solely to implement Substitute Senate Bill No. 5877 (due process for adult family homes).

(19) $468,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to expand the kinship navigator program to the Colville Indian reservation, Yakama Nation, and other tribal areas currently without kinship navigator services.

(20) $37,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to implement Second Substitute House Bill No. 2726 (retirement communities). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~))

(21) The department shall provide the legislature an analysis of expenditures for medicaid clients served in adult family homes and assisted living facilities by acuity level. The analysis shall include all services provided to medicaid clients in each care setting, including all services covered by the daily rate, and services provided in addition to the daily rate. The department shall submit the report to the legislature by November 15, 2016.

(22) $308,000 of the general fund—state appropriation for fiscal year 2017 and $77,000 of the general fund—federal appropriation are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 6564 (providing protections for persons with developmental disabilities). ((~~If this bill is not enacted by June 30, 2016, the amounts provided in this subsection shall lapse.~~))

(23) $537,000 of the general fund—state appropriation for fiscal year 2017 and $538,000 of the general fund—federal appropriation are provided solely for implementation of Substitute Senate Bill No. 6656 (state hospital practices) ((~~or Engrossed Second Substitute House Bill No. 2453 (state hospital oversight)~~)). The department shall contract with a nursing home facility with an enhanced staffing model able to care for patients coming out of western state hospital. The department must identify and must discharge at least thirty patients from a geriatric ward at western state hospital to alternative settings by January 1, 2017, by utilizing enhanced services facilities and enhanced community services plus nursing home beds. ((~~If neither bill is enacted by June 30, 2016, the amounts provided in this subsection shall lapse.~~))

**Sec.**  2016 sp.s. c 36 s 207 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ECONOMIC SERVICES PROGRAM**

General Fund—State Appropriation (FY 2016) $396,066,000

General Fund—State Appropriation (FY 2017) ((~~$418,020,000~~))

 $391,189,000

General Fund—Federal Appropriation ((~~$1,301,431,000~~))

 $1,309,993,000

General Fund—Private/Local Appropriation $1,950,000

Administrative Contingency Account—State Appropriation $17,000,000

TOTAL APPROPRIATION ~~$2,134,467,000~~

 $2,116,198,000

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

(1)(a) $152,953,000 of the general fund—state appropriation for fiscal year 2016, ((~~$171,299,000~~)) $163,789,000 of the general fund—state appropriation for fiscal year 2017, ((~~$779,366,000~~)) $799,758,000 of the general fund—federal appropriation, and the administrative contingency account—state appropriation are provided solely for all components of the WorkFirst program. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families. The department must create a WorkFirst budget structure that allows for transparent tracking of budget units and subunits of expenditures where these units and subunits are mutually exclusive from other department budget units. The budget structure must include budget units for the following: Cash assistance, child care, WorkFirst activities, and administration of the program. Within these budget units, the department must develop program index codes for specific activities and develop allotments and track expenditures using these codes. The department shall report to the office of financial management and the relevant fiscal and policy committees of the legislature prior to adopting the new structure and no later than December 2015.

(b) ((~~$316,460,000~~)) $302,524,000 of the amounts in (a) of this subsection are provided solely for assistance to clients, including grants, diversion cash assistance, and additional diversion emergency assistance including but not limited to assistance authorized under RCW 74.08A.210. The department may use state funds to provide support to working families that are eligible for temporary assistance for needy families but otherwise not receiving cash assistance.

(c) ((~~$163,200,000~~)) $164,837,000 of the amounts in (a) of this subsection are provided solely for WorkFirst job search, education and training activities, barrier removal services, limited English proficiency services, and tribal assistance under RCW 74.08A.040. The department must allocate this funding based on client outcomes and cost effectiveness measures.

(d)(i) ((~~$477,029,000~~)) $475,003,000 of the amounts in (a) of this subsection are provided solely for the working connections child care program under RCW 43.215.135. Of the amounts provided in this subsection (1)(d), $22,040,000 of the appropriation for fiscal year 2017 is provided solely for implementation of chapter 7, Laws of 2015 3rd sp. sess. (early care and education system). Of the amounts provided in this subsection (1)(d), $8,048,000 of the appropriation for fiscal year 2017 is provided solely for a base rate increase. This funding is for the supplemental agreement to the 2015-2017 collective bargaining agreement covering family child care providers as set forth in section 905 of this act. The amounts provided in this subsection (d) are provided conditioned on the department of social and health services and the department of early learning taking additional actions to identify and reduce the backlog of overpayment cases related to public assistance programs, including the working connections child care program. The departments shall collaborate and create a plan to triage overpayment cases in a manner that identifies and prioritizes cases with large overpayments and likelihood of fraudulent activity. The departments shall provide a quarterly report to the appropriate policy and fiscal committees of the legislature detailing the specific actions taken as a result of this subsection (d).

(ii) In order to not exceed appropriations, a wait list for the working connections child care program shall be implemented if enrollment reaches 33,000 households. Once the wait list is in effect, and only as space or funding becomes available, enrollment in the program shall be prioritized according to the following order:

(A) Families applying for or receiving temporary assistance for needy families (TANF);

(B) TANF families curing sanction;

(C) Families that include a child with special needs;

(D) Families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center; and

(E) All other eligible families.

(e) ((~~$163,928,000~~)) $174,135,000 of the amounts in (a) of this subsection are provided solely for WorkFirst and working connections child care administration and overhead. Of amounts provided in this subsection (1)(e), $41,000 of the appropriation for fiscal year 2016 is provided solely for implementation of chapter 7, Laws of 2015 3rd sp. sess. (early care and education system).

(f) The amounts in (b) through ((~~(d)~~)) (e) of this subsection shall be expended for the programs and in the amounts specified. However, the department may transfer up to 10 percent of funding between (b) through ((~~(d)~~)) (e) of this subsection. The department shall provide notification prior to any transfer to the office of financial management and to the appropriate legislative committees and the legislative-executive WorkFirst oversight task force. The approval of the director of financial management is required prior to any transfer under this subsection.

(g) Beginning July 1, 2016, and each calendar quarter thereafter, the department shall provide a maintenance of effort and participation rate tracking report for temporary assistance for needy families to the office of financial management, the appropriate policy and fiscal committees of the legislature, and the legislative-executive WorkFirst oversight task force. The report must detail the following information for temporary assistance for needy families:

(i) An overview of federal rules related to maintenance of effort, excess maintenance of effort, participation rates for temporary assistance for needy families, and the child care development fund as it pertains to maintenance of effort and participation rates;

(ii) Countable maintenance of effort and excess maintenance of effort, by source, provided for the previous federal fiscal year;

(iii) Countable maintenance of effort and excess maintenance of effort, by source, for the current fiscal year, including changes in countable maintenance of effort from the previous year;

(iv) The status of reportable federal participation rate requirements, including any impact of excess maintenance of effort on participation targets;

(v) Potential new sources of maintenance of effort and progress to obtain additional maintenance of effort; and

(vi) A two-year projection for meeting federal block grant and contingency fund maintenance of effort, participation targets, and future reportable federal participation rate requirements.

(h) In the 2017-2019 fiscal biennium, it is the intent of the legislature to provide appropriations from the state general fund for the purposes of (b) through (e) of this subsection if the department does not receive additional federal temporary assistance for needy families contingency funds in each fiscal year as assumed in the budget outlook.

(2) $1,657,000 of the general fund—state appropriation for fiscal year 2016 and $1,657,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for naturalization services.

(3) $2,366,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for employment services for refugees and immigrants, of which $1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services; and $2,366,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for employment services for refugees and immigrants, of which $1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services.

(4) On December 1, 2015, and annually thereafter, the department must report to the legislature on all sources of funding available for both refugee and immigrant services and naturalization services during the current fiscal year and the amounts expended to date by service type and funding source. The report must also include the number of clients served and outcome data for the clients.

(5) To ensure expenditures remain within available funds appropriated in this section, the legislature establishes the benefit under the state food assistance program, pursuant to RCW 74.08A.120, to be one hundred percent of the federal supplemental nutrition assistance program benefit amount.

(6) The department shall review clients receiving services through the aged, blind, or disabled assistance program, to determine whether they would benefit from assistance in becoming naturalized citizens, and thus be eligible to receive federal supplemental security income benefits. Those cases shall be given high priority for naturalization funding through the department.

(7) The department shall continue the interagency agreement with the department of veterans' affairs to establish a process for referral of veterans who may be eligible for veterans' services. This agreement must include out-stationing department of veterans' affairs staff in selected community service office locations in King and Pierce counties to facilitate applications for veterans' services.

(8) $300,000 of the general fund—federal appropriation is provided solely for implementation of Second Substitute House Bill No. 2877 (SNAP benefit distribution dates), provided that the department confirms receipt of SNAP Bonus payments sufficient for the cost of implementing the bill. ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~))

**Sec.**  2016 sp.s. c 36 s 208 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ALCOHOL AND SUBSTANCE ABUSE PROGRAM**

General Fund—State Appropriation (FY 2016) $64,261,000

General Fund—State Appropriation (FY 2017) ((~~$66,185,000~~))

 $60,822,000

General Fund—Federal Appropriation ((~~$519,951,000~~))

 $524,230,000

General Fund—Private/Local Appropriation $20,211,000

Criminal Justice Treatment Account—State

Appropriation $12,478,000

Problem Gambling Account—State Appropriation $1,453,000

Dedicated Marijuana Account—State Appropriation

(FY 2016) $10,736,000

Dedicated Marijuana Account—State Appropriation

(FY 2017) $24,802,000

TOTAL APPROPRIATION ~~$720,077,000~~

 $718,993,000

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

(1) Within the amounts appropriated in this section, the department may contract with the University of Washington and community-based providers for the provision of the parent-child assistance program or other specialized chemical dependency case management providers for pregnant, post-partum, and parenting women. For all contractors: (a) Service and other outcome data must be provided to the department by request; and (b) indirect charges for administering the program shall not exceed ten percent of the total contract amount.

(2) In accordance with RCW 70.96A.090 and 43.135.055, the department is authorized to adopt fees for the review and approval of treatment programs in fiscal years 2016 and 2017 as necessary to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower cost of licensing for these programs than for other organizations which are not accredited.

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

(4) $421,000 of the general fund—state appropriation for fiscal year 2016, $873,000 of the general fund—state appropriation for fiscal year 2017, and $1,787,000 of the general fund—federal appropriation are provided solely for implementation of chapter 50, Laws of 2015 (E2SHB 1450) (involuntary outpatient treatment). The department must use these amounts for increases in alcohol and substance abuse treatment associated with implementation of the bill.

(5) $200,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $200,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for a contract with the Washington state institute for public policy to conduct cost-benefit evaluations of the implementation of chapter 3, Laws of 2013 (Initiative Measure No. 502).

(6) $500,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $500,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely to design and administer the Washington state healthy youth survey and the Washington state young adult behavioral health survey.

(7) $395,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $396,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for increasing services to pregnant and parenting women provided through the parent child assistance program.

(8) $250,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $250,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for a grant to the office of superintendent of public instruction to provide life skills training to children and youth in schools that are in high needs communities.

(9) $386,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $386,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely to increase prevention and treatment services provided by tribes to children and youth.

(10) $683,000 of the dedicated marijuana account—state appropriation for fiscal year 2016, $2,684,000 of the dedicated marijuana account—state appropriation for fiscal year 2017, and $1,900,000 of the general fund—federal appropriation are provided solely to increase residential treatment services for children and youth.

(11) $250,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $250,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for training and technical assistance for the implementation of evidence based, research based, and promising programs which prevent or reduce substance use disorders.

(12) $1,000,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $2,434,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for expenditure into the home visiting services account.

(13) $3,278,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 is provided solely for a memorandum of understanding with the department of social and health services juvenile rehabilitation administration to provide substance abuse treatment programs for juvenile offenders. Of the amounts provided in this subsection:

(a) $1,130,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 is provided solely for alcohol and substance abuse treatment programs for locally-committed offenders. The juvenile rehabilitation administration shall award these funds as described in section 203(3) of this act.

(b) $282,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 is provided solely for the expansion of evidence-based treatments and therapies as described in section 203(4) of this act.

(14) $2,500,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $2,500,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for grants to community-based programs that provide prevention services or activities to youth, including programs for school-based resource officers. These funds must be utilized in accordance with RCW 69.50.540.

(15) Within the amounts provided in this section, regional support networks must provide outpatient chemical dependency treatment for offenders enrolled in the medicaid program who are supervised by the department of corrections pursuant to a term of community supervision beginning in April 2016. Effective April 1, 2016, contracts with regional support networks must require that regional support networks include in their provider network specialized expertise in the provision of manualized, evidence-based chemical dependency treatment services for offenders. The department of corrections and the department of social and health services must develop a memorandum of understanding for department of corrections offenders on active supervision who are medicaid eligible and meet medical necessity for outpatient substance use disorder treatment. The agreement will ensure that treatment services provided are coordinated, do not result in duplication of services, and maintain access and quality of care for the individuals being served. The department of social and health services must provide all necessary data, access, and reports to the department of corrections for all department of corrections offenders that receive medicaid paid services.

(16) During the 2015-2017 fiscal biennium, any amounts provided in this section that are used for case management services for pregnant and parenting women must be contracted directly between the department and providers rather than through contracts with behavioral health organizations. By December 1, 2016, the department must provide a report to the office of financial management and the appropriate committees of the legislature on the readiness for behavioral health organizations to assume the contracts for case management services for pregnant and parenting women.

(17) $100,000 of the general fund—state appropriation for fiscal year 2016 and $100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for parenting education services focused on pregnant and parenting women.

(18) Within existing appropriations, the department shall prioritize the prevention and treatment of intravenous opiate-based drug use.

(19) $250,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for a contract with the Washington State University for the research and development of a marijuana breathalyzer.

(20) $438,000 of the general fund—state appropriation for fiscal year 2017 and $185,000 of the general fund—federal appropriation are provided solely for implementation of Third Substitute House Bill No. 1713 (mental health, chemical dependency). ((~~If the bill is not enacted by June 30, 2016, the amounts provided in this subsection shall lapse.~~))

(21) Within the amounts appropriated in this section, the department of social and health services and the health care authority must provide quarterly reports to the chairs of the house of representatives health care and wellness committee, the house of representatives early learning and human services committee, the senate health care committee, and the senate human services, mental health, and housing committee on the integration of mental health and chemical dependency treatment purchasing through behavioral health organizations and the southwest Washington early adopter model. These reports must include, but are not limited to, an update on reimbursement rates and contracts for providing residential chemical dependency treatment; the numbers of referrals and length of stay for patients referred to chemical dependency treatment; the timing of authorization and payment to providers; the compatibility of patient electronic medical record data between behavioral health organizations, managed care organizations in the southwest Washington regional service area, and providers; and the status of contracted providers. Behavioral health organizations and managed care organizations in the southwest Washington regional service area must be required to immediately report when notified that a provider is in jeopardy of closure. The department and the health care authority must immediately assess whether and take actions to ensure that the behavioral health organization or managed care plans impacted by the provider closure have an adequate transition plan to maintain an adequate network and provide access to medically necessary treatment services for enrollees. These reports shall begin April 1, 2016, and end on October 31, 2016.

(22) Within existing appropriations for fiscal year 2017, the department shall conduct a two-part study of substance use provider capacity and substance use provider outcomes in the state. The provider capacity report must provide information about publicly funded providers, including their number, geographical location, populations served, and treatment methodologies employed. The provider outcome report must examine variation in client outcome for these providers using statistical models to mitigate the impact of case mix. Where possible, outcomes must be aligned with specifications developed as directed by Second Substitute Senate Bill No. 5732, (chapter 338, Laws of 2013) and Engrossed Substitute House Bill No. 1519 (chapter 320, Laws of 2013). The two reports shall be submitted to the governor and appropriate committees of the legislature by June 1, 2017.

(23) $500,000 of the criminal justice treatment account—state appropriation is provided solely to increase funding for substance abuse treatment and support services for offenders and to support drug courts.

**Sec.**  2016 sp.s. c 36 s 209 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—VOCATIONAL REHABILITATION PROGRAM**

General Fund—State Appropriation (FY 2016) $12,866,000

General Fund—State Appropriation (FY 2017) ((~~$13,353,000~~))

 $13,414,000

General Fund—Federal Appropriation ((~~$98,491,000~~))

 $109,988,000

TOTAL APPROPRIATION ~~$124,710,000~~

 $136,268,000

**Sec.**  2016 sp.s. c 36 s 210 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—SPECIAL COMMITMENT PROGRAM**

General Fund—State Appropriation (FY 2016) $39,490,000

General Fund—State Appropriation (FY 2017) ((~~$40,823,000~~))

 $42,488,000

TOTAL APPROPRIATION ~~$80,313,000~~

 $81,978,000

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

(1) $78,000 of the general fund—state appropriation for fiscal year 2016 and $78,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to implement House Bill No. 1059 (sexually violent predators).

(2) The department shall review its current food services for the special commitment center for opportunities to consolidate and centralize, emphasizing opportunities for increased efficiency. The department shall consider consolidating and centralizing the department's institutional food service by examining: (a) Consistent daily meals across institutions; (b) off-site meal preparation and cook-chill meals; and (c) increased use of the department of correction's correctional industries institutional food service. Any food service improvements must account for special diets and consistency with established dietary intakes of the food and nutrition board of the national research council.

(3) Within the amounts provided in this section, the special commitment center must explore entering into an interagency agreement with the University of Washington. The interagency agreement would allow the department to receive drug pricing under 340B of the public health services act for drug purchases associated with treating patients with hepatitis C or other diseases, whereby the university is acting as the covered entity or safety-net provider. In cooperation with the University of Washington, the special commitment center must provide an estimate of the fiscal impact of a successful agreement of this nature, to be included in the report provided to the legislature under section 606 of this act.

(4) The special commitment center may use funds appropriated in this subsection to purchase services, goods, and supplies through hospital group purchasing organizations when it is cost-effective to do so.

(5) $15,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of a memorandum of understanding between the governor and the service employees international union healthcare 1199nw amending the collective bargaining under chapter 41.80 RCW for the 2015-2017 fiscal biennium as set forth in section 902 of this act. The legislature recognizes that the memorandum of understanding was necessitated by an emergency and an imminent jeopardy determination by the center for medicare and medicaid services that relates to the safety and health of clients and employees.

**Sec.**  2016 sp.s. c 36 s 211 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ADMINISTRATION AND SUPPORTING SERVICES PROGRAM**

General Fund—State Appropriation (FY 2016) $34,207,000

General Fund—State Appropriation (FY 2017) ((~~$34,533,000~~))

 $34,943,000

General Fund—Federal Appropriation ((~~$41,153,000~~))

 $41,312,000

General Fund—Private/Local Appropriation $654,000

TOTAL APPROPRIATION ~~$110,547,000~~

 $111,116,000

The appropriations in this section are subject to the following conditions and limitations: $300,000 of the general fund—state appropriation for fiscal year 2016 and $300,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a Washington state mentoring organization to continue its public-private partnerships to provide technical assistance and training to mentoring programs that serve at-risk youth.

**Sec.**  2016 sp.s. c 36 s 212 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER AGENCIES PROGRAM**

General Fund—State Appropriation (FY 2016) $72,717,000

General Fund—State Appropriation (FY 2017) ((~~$76,957,000~~))

 $77,640,000

General Fund—Federal Appropriation ((~~$58,973,000~~))

 $59,216,000

TOTAL APPROPRIATION ~~$208,647,000~~

 $209,573,000

The appropriations in this section are subject to the following conditions and limitations: $8,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to implement chapter 240, Laws of 2015 (extended foster care).

**Sec.**  2016 sp.s. c 36 s 213 (uncodified) is amended to read as follows:

**FOR THE STATE HEALTH CARE AUTHORITY**

During the 2015-2017 fiscal biennium, the health care authority shall provide support and data as required by the office of the state actuary in providing the legislature with health care actuarial analysis, including providing any information in the possession of the health care authority or available to the health care authority through contracts with providers, plans, insurers, consultants, or any other entities contracting with the health care authority.

Information technology projects or investments and proposed projects or investments impacting time capture, payroll and payment processes and systems, eligibility, case management, and authorization systems within the health care authority are subject to technical oversight by the office of the chief information officer.

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

The appropriations to the health care authority in this act shall be expended for the programs and in the amounts specified in this act. To the extent that appropriations in this section are insufficient to fund actual expenditures in excess of caseload forecasts and utilization assumptions, the authority, after May 1, ((~~2016~~)) 2017, may transfer general fund—state appropriations for fiscal year ((~~2016~~)) 2017 that are provided solely for a specified purpose. The authority shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

(1) MEDICAL ASSISTANCE

General Fund—State Appropriation (FY 2016) $1,950,827,000

General Fund—State Appropriation (FY 2017) ((~~$2,054,119,000~~))

 $1,996,311,000

General Fund—Federal Appropriation ((~~$11,217,550,000~~))

 $11,024,458,000

General Fund—Private/Local Appropriation ((~~$70,787,000~~))

 $70,364,000

Emergency Medical Services and Trauma Care Systems

Trust Account—State Appropriation $15,086,000

Hospital Safety Net Assessment Account—State

Appropriation ((~~$689,942,000~~))

 $686,952,000

Medicaid Fraud Penalty Account—State Appropriation $18,491,000

Medical Aid Account—State Appropriation $528,000

Dedicated Marijuana Account—State Appropriation

(FY 2016) $7,791,000

Dedicated Marijuana Account—State Appropriation

(FY 2017) ((~~$12,979,000~~))

 $14,133,000

State Health Care Authority Administration Account—State

Appropriation ((~~$106,000~~))

 $75,000

TOTAL APPROPRIATION ~~$16,038,206,000~~

 $15,785,016,000

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

(a) $35,794,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for medicaid services based on the February caseload and medicaid forecasts contingent upon: (i) Transfer of the medicaid forecast function to the office of financial management, by July 1, 2016; (ii) the authority executing necessary, timely data sharing agreements with the office of the state actuary; (iii) the authority providing support and data as required by the office of the state actuary necessary 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; (iv) transfer of the administration of the managed care actuarial rate setting contract from the authority to the office of financial management; and (v) the authority consulting with the medical assistance forecast work group prior to accepting the actuarial contractor's managed care rate recommendations.

(b) ((~~$121,599,000~~)) $134,286,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for holding medicaid managed care capitation rates flat at calendar year ((~~2016~~)) 2017 levels in state fiscal year and calendar year 2017. To achieve this target, the authority shall engage with a group composed of the office of financial management, the medicaid forecast work group, and the managed care plans on a range of strategies developed both by the authority and the group. The authority shall obtain actuarial analysis, support, and recommendations during this process, and the state actuary shall obtain independent actuarial analysis. By August 1, 2016, the authority shall present the progress made on the initiative to the joint select committee on health care, identifying any possible changes in statute needed to achieve the goal and the possible impacts on clients. The authority shall complete the plan and report to the appropriate committees of the legislature by October 1, 2016.

(c) $1,894,672,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$1,915,233,000~~)) $1,849,137,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for medicaid services and the medicaid program. However, the authority shall not accept or expend any federal funds received under a medicaid transformation demonstration waiver ((~~currently being sought~~)) under healthier Washington((~~, except as described in (d) through (g) of this subsection, until~~)) unless specifically approved and appropriated by the legislature.

((~~(d) No more than $127,336,000 of the general fund—federal appropriation may be expended for transformation through accountable communities of health described in initiative 1 of the medicaid transformation demonstration waiver currently being sought under healthier Washington, including preventing youth drug use. The authority shall not increase general fund—state expenditures on this initiative. The authority shall report to the fiscal committees of the legislature all expenditures under this subsection and shall provide such fiscal data in the manner, form, and time requested by the legislative fiscal committees.~~

~~(e) No more than $5,223,000 of the general fund—federal appropriation may be expended for tailored support for older adults and medicaid alternative care described in initiative 2 of the medicaid transformation demonstration waiver currently being sought under healthier Washington. The authority shall not increase general fund—state expenditures on this initiative. The authority shall report to the fiscal committees of the legislature all expenditures under this subsection and shall provide such fiscal data in the manner, form, and time requested by the legislative fiscal committees.~~

~~(f) No more than $9,425,000 of the general fund—federal appropriation may be expended for supportive housing services described in initiative 3(a) of the medicaid transformation demonstration waiver currently being sought under healthier Washington. The authority shall not increase general fund—state expenditures on this initiative. The authority shall report to the fiscal committees of the legislature all expenditures under this subsection and shall provide such fiscal data in the manner, form, and time requested by the legislative fiscal committees.~~

~~(g) No more than $5,567,000 of the general fund—federal appropriation may be expended for supportive employment services described in initiative 3(b) of the medicaid transformation demonstration waiver currently being sought under healthier Washington. The authority shall not increase general fund—state expenditures on this initiative. The authority shall report to the fiscal committees of the legislature all expenditures under this subsection and shall provide such fiscal data in the manner, form, and time requested by the legislative fiscal committees.~~

~~(h)~~)) (d) Sufficient amounts are appropriated in this subsection to implement the medicaid expansion as defined in the social security act, section 1902(a)(10)(A)(i)(VIII).

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

((~~(j)~~)) (f) Based on quarterly expenditure reports and caseload forecasts, if the health care authority estimates that expenditures for the medical assistance program will exceed the appropriations, the health care authority shall take steps including but not limited to reduction of rates or elimination of optional services to reduce expenditures so that total program costs do not exceed the annual appropriation authority.

((~~(k)~~)) (g) In determining financial eligibility for medicaid-funded services, the health care authority is authorized to disregard recoveries by Holocaust survivors of insurance proceeds or other assets, as defined in RCW 48.104.030.

((~~(l)~~)) (h) The legislature affirms that it is in the state's interest for Harborview medical center to remain an economically viable component of the state's health care system.

((~~(m)~~)) (i) When a person is ineligible for medicaid solely by reason of residence in an institution for mental diseases, the health care authority shall provide the person with the same benefits as he or she would receive if eligible for medicaid, using state-only funds to the extent necessary.

((~~(n)~~)) (j) $4,261,000 of the general fund—state appropriation for fiscal year 2016, $4,261,000 of the general fund—state appropriation for fiscal year 2017, and $8,522,000 of the general fund—federal appropriation are provided solely for low-income disproportionate share hospital payments.

((~~(o)~~)) (k) Within the amounts appropriated in this section, the health care authority shall provide disproportionate share hospital payments to hospitals that provide services to children in the children's health program who are not eligible for services under Title XIX or XXI of the federal social security act due to their citizenship status.

((~~(p)~~)) (l) $6,000,000 of the general fund—federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the health care authority's discretion. During either the interim cost settlement or the final cost settlement, the health care authority shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The health care authority shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

((~~(q)~~)) (m) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2015-2017 fiscal biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The health care authority shall submit reports to the governor and legislature by November 1, 2015, and by November 1, 2016, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the health care authority shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2016 and fiscal year 2017, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of ((~~(a)~~)) (i) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2015-2017 biennial operating appropriations act and in effect on July 1, 2015, ((~~(b)~~)) (ii) one-half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and ((~~(c)~~)) (iii) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2015-2017 fiscal biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. $14,014,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$9,700,000~~)) $4,901,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for state grants for the participating hospitals.

((~~(r)~~)) (n) The health care authority shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

((~~(s)~~)) (o) The health care authority shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race. The health care authority shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the health care authority shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.

((~~(t)~~)) (p) Within the amounts appropriated in this section, the authority shall identify strategies to improve patient adherence to treatment plans for diabetes and implement these strategies as a pilot through one health home program to be identified by the authority. The authority shall report to the governor and legislature in December 2015 on patient outcomes and cost savings derived from new adherence strategies in the health home model and make recommendations for improving the strategies.

((~~(u)~~)) (q) Managed care contracts must incorporate accountability measures that monitor patient health and improved health outcomes, and shall include an expectation that each patient receive a wellness examination that documents the baseline health status and allows for monitoring of health improvements and outcome measures.

((~~(v)~~)) (r) $88,000 of the medicaid fraud penalty account—state appropriation and $567,000 of the general fund—federal appropriation are provided solely to implement the conversion to the tenth version of the world health organization's international classification of diseases.

((~~(w)~~)) (s) Sufficient amounts are appropriated in this section for the authority to provide an adult dental benefit.

((~~(x)~~)) (t) The health care authority shall coordinate with the department of social and health services to provide referrals to the Washington health benefit exchange for clients that will be ineligible for medicaid.

((~~(y)~~)) (u) To facilitate a single point of entry across public and medical assistance programs, and to maximize the use of federal funding, the health care authority, the department of social and health services, and the health benefit exchange will coordinate efforts to expand HealthPlanfinder access to public assistance and medical eligibility staff. No later than October 1, 2015, the health care authority shall complete medicaid applications in the HealthPlanfinder for households receiving or applying for medical assistance benefits.

((~~(z)~~)) (v) $90,000 of the general fund—state appropriation for fiscal year 2016, $90,000 of the general fund—state appropriation for fiscal year 2017, and $180,000 of the general fund—federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free hotline that assists families to learn about and enroll in the apple health for kids program.

((~~(aa)~~)) (w) The appropriations in this section reflect savings and efficiencies by transferring children receiving medical care provided through fee-for-service to medical care provided through managed care.

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

((~~(cc)~~)) (y) Within the amounts appropriated in this section, the authority shall continue to provide coverage for pregnant teens that qualify under existing pregnancy medical programs, but whose eligibility for pregnancy related services would otherwise end due to the application of the new modified adjusted gross income eligibility standard.

((~~(dd)~~)) (z) Sufficient amounts are appropriated in this section to remove the mental health visit limit and to provide the shingles vaccine and screening, brief intervention, and referral to treatment benefits that are available in the medicaid alternative benefit plan in the classic medicaid benefit plan.

((~~(ee)~~)) (aa) $227,000 of the general fund—state appropriation for fiscal year 2016, $461,000 of the general fund—state appropriation for fiscal year 2017, and $734,000 of the general fund—federal appropriation are provided solely to implement Substitute Senate Bill No. 5317 (enhanced autism screening - bright futures).

((~~(ff)~~)) (bb) $4,278,000 of the general fund—private/local appropriation and $9,835,000 of the general fund—federal appropriation are provided solely to implement House Bill No. 2007 (emergency medical transportation).

((~~(gg)~~)) (cc) Within amounts appropriated in this section, the health care authority shall conduct a review of its adult dental program in cooperation with and utilizing resources from Washington dental services foundation. The authority shall develop a plan to implement an expanded oral health care program for adults with diabetes and pregnant women. A report summarizing the authority's implementation plan and an estimation of cost savings must be submitted to the governor and the appropriate committees of the legislature by December 1, 2015.

((~~(hh)~~)) (dd) No more than $452,000 of the general fund—state appropriation for fiscal year 2016 and no more than $723,000 of the general fund—state appropriation for fiscal year 2017 may be expended for reimbursement for nonhospital based rural health clinics auditing costs to complete annual payment reconciliations for calendar years 2011-2013 as required under 42 U.S.C. Sec. 1396a (bb)(5)(A). The department shall use the agreed-upon procedures to complete the reconciliations. Nonhospital-based clinics shall be reimbursed for the cost of auditing using the agreed-upon procedures for payment reconciliation for this time period only.

((~~(ii)~~)) (ee) The appropriations in this section represent a transfer of expenditure authority of $2,333,000 of the general fund—federal appropriation for fiscal year 2016 and $1,782,000 of the general fund—federal appropriation for fiscal year 2017 to the office of financial management to implement Engrossed Substitute Senate Bill No. 5084 (all payer claims database).

((~~(jj)~~)) (ff) Pursuant to RCW 41.06.142(3), the authority shall implement a pilot program within existing resources to understand the nature and depth of potential fraud, waste, and abuse and the creation of operational efficiencies within the provider and beneficiary system. The pilot program shall examine streamlining provider enrollment and compliance within the current affordable care act screening requirements and include a post-enrollment review of those currently enrolled in medicaid to determine if there have been changes in demographics, including but not limited to becoming deceased, incarcerated, or residing out of state. The pilot program shall be conducted by the authority in partnership with a third-party vendor that uses national public records data as well as provider-specific data. The authority shall prepare a report to the governor and legislative fiscal committees by December 15, 2015.

((~~(kk)~~)) (gg) Within amounts appropriated in this section, the health care authority shall conduct a review of its federally qualified health center encounter rates and rural health center encounter rates in comparison to current uniform medical plan rates for the same or similar services. The authority shall consult with the centers for medicare and medicaid services to determine whether federally qualified encounter rates may be adjusted to uniform medical plan rates as a reasonable proxy to cost. The authority must submit a report to the governor and the appropriate committees of the legislature that includes which encounter rates exceed uniform medical rates, the amount by which the rates are exceeded, and the annual cost of paying above uniform medical rates. The report shall also include the steps the authority has taken with the centers for medicare and medicaid services to ensure that rates bear a reasonable relationship to costs incurred by efficiently and economically operated facilities, including whether uniform medical plan or commercial rates may be considered a reasonable proxy to cost. The report must be submitted by January 1, 2016. By September 15, 2016, the authority is directed to directly consult with the centers for medicaid and medicare services to determine whether federally qualified encounter rates may be adjusted to uniform medical plan rates as a reasonable proxy to cost and resubmit the report to include the results of this consultation.

((~~(ll)~~)) (hh) $1,035,000 of the general fund—state appropriation for fiscal year 2016, $965,000 of the general fund—state appropriation for fiscal year 2017, and $1,846,000 of the general fund—federal appropriation are provided solely for customer service staff to reduce call wait times and improve the number of calls answered by the authority.

((~~(mm)~~)) (ii) $386,000 of the general fund—state appropriation for fiscal year 2016, $361,000 of the general fund—state appropriation for fiscal year 2017, and $2,018,000 of the general fund—federal appropriation are provided solely for additional staff to support timely resolution of eligibility-related issues for medicaid clients.

((~~(nn)~~)) (jj)(i) $123,000 of the general fund—state appropriation for fiscal year 2016, $118,000 of the general fund—state appropriation for fiscal year 2017, $48,000 of the state health care authority administrative account—state appropriation, and $312,000 of the general fund—federal appropriation are provided solely to establish the bleeding disorder collaborative for care.

(ii) The collaborative must consist of three representatives from the authority, three representatives from the largest organization in Washington representing patients with bleeding disorders, two representatives from state designated bleeding disorder centers of excellence, and two representatives of federally funded hemophilia treatment centers based in Washington. The collaborative may invite the participation of other persons with expertise that may assist the collaborative in its responsibilities. The collaborative shall adopt a transparent process that allows for public comment prior to the final adoption of any evidence-based practice.

(iii) The collaborative shall:

(A) Identify and develop evidence-based practices to improve care to patients with bleeding disorders with specific attention to health care cost reduction. To the extent that evidence-based practices are unavailable, the collaborative shall research and create the practices or compile the necessary information. In the event that research on evidence is incomplete, the collaborative may consider research-based practices or emerging best practices;

(B) Make recommendations regarding the dissemination of the evidence-based practices to relevant health care professionals and support service providers and propose options for incorporating evidence-based practices into their treatment regimens; and

(C) Assist the authority in the development of a cost-benefit analysis regarding the use of evidence-based practices for specific populations in state-purchased health care programs.

(iv) The authority shall report to the governor and the legislature by September 1, 2016, regarding the evidence-based practices that have been developed, the clinical and fiscal implications of their implementation, and a strategy for disseminating the practices and incorporating their use among health care professionals in various state-financed health care programs.

((~~(oo)~~)) (kk) The authority shall use revenue appropriated from the dedicated marijuana fund for contracts with community health centers under RCW 69.50.540 in lieu of general fund—state payments to community health centers for services provided to medical assistance clients, and it is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.

((~~(pp)~~)) (ll) In collaboration with the state hospital association, the authority shall develop and implement a process to review hospital cost report information for new, in-state hospital psychiatric inpatient services that have not had provider specific costs and determine the hospital-specific per diem rate as currently defined for existing providers of psychiatric inpatient services. As a result of this action, the authority shall not incur expenditures in the current biennium. The authority shall report to the office of financial management and appropriate committees of the legislature the following information no later than October 1, 2017:

(i) The number of potential new psychiatric beds;

(ii) The number of potential new psychiatric beds that were previously designated as acute beds;

(iii) The total estimated costs for all new potential psychiatric beds;

(iv) The potential savings or expenditures derived from change in bed type usage; and

(v) The state fiscal years in which potential costs and savings are likely to incur.

((~~(qq)~~)) (mm) To further the goals of better care, better health outcomes, and reduced per capita costs of health care, the authority shall review its reimbursement methods and rates for births performed at birth centers. The authority shall report to the governor and appropriate committees of the legislature by October 15, 2016, with recommendations for adjusting reimbursement methods and levels, improving access to care, improving the cesarean section rate, and savings options for utilizing birth centers as an alternative to hospitals.

((~~(rr)~~)) (nn) The authority shall submit reports to the governor and the legislature by September 15, 2016, and by September 15, 2017, that delineate the number of individuals in medicaid managed care, by carrier, age, gender, and eligibility category, receiving preventative services and vaccinations. The reports should include baseline and benchmark information from the previous two fiscal years and should be inclusive of, but not limited to, services recommended under the United States preventative services task force, advisory committee on immunization practices, early and periodic screening, diagnostic, and treatment (EPSDT) guidelines, and other relevant preventative and vaccination medicaid guidelines and requirements.

((~~(ss)~~)) (oo) Within amounts appropriated in this section, the authority shall implement Substitute Senate Bill No. 6430 (continuity of care) to update the ProviderOne and HealthPlanFinder systems to allow suspension rather than termination of medical assistance benefits for persons who are incarcerated or committed to a state hospital subject to the same conditions, limitations, and review provided in section 705 (3) through (6), chapter 4, Laws of 2015 3rd sp. sess. (Engrossed Substitute Senate Bill No. 6052).

((~~(tt)~~)) (pp) Within amounts appropriated within this section, the authority is directed to increase reimbursement rates for licensed practical nurses and registered nurses providing skilled nursing services in a home setting by $10.00 per hour. This increase shall be offset by decreases in inpatient hospitalization. The authority is directed to work in collaboration with the home health association and the Washington state hospital association to develop a plan to show how improved access to home health nursing reduces potentially preventable readmissions, increases access to care, reduces hospital length of stay, and prevents overall hospital admissions for clients receiving private-duty nursing, medically intensive care, or home health benefits. The authority shall submit a report to the governor and appropriate committees of the legislature by December 15, 2016, with details of this plan.

((~~(uu)~~)) (qq) The appropriations in this section include specific funds for the purpose of implementing Engrossed Second Substitute House Bill No. 2439 (youth mental health).

((~~(vv)~~)) (rr) Within the amounts appropriated in this section, the health care authority in cooperation with the Washington dental services foundation, the Washington state dental association, and other interested stakeholders shall develop a plan to increase access to care by expanding the medicaid dental network through contracting out the administration of the medicaid dental program. This plan shall include but not be limited to engaging dental expertise in the administration, improving the provider and patient experience, aligning the benefit package with evidence-based care, and beginning to test innovative models of delivery consistent with the goals of the healthier Washington initiative. The authority shall also review options to include contracting with one or more medicaid managed care plans or a third-party administrator. The report summarizing the authority's implementation plan and an estimate of the cost to execute this plan must be submitted to the governor and the appropriate committees of the legislature by December 1, 2016. The plan shall not be implemented until specifically authorized by the legislature.

((~~(ww)~~)) (ss) $608,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to implement the provider access line (PAL) plus pilot program. For purposes of the PAL plus pilot program, the authority shall work in collaboration with faculty from the University of Washington working on the integration of mental health and medical care.

(i) The PAL plus service is targeted to help children and families with medicaid coverage who have mental health concerns not already being served by the regional support network system or other local specialty care providers, and who instead receive treatment from their primary care providers. Services must be offered by regionally based and multipractice shared mental health service providers who deliver in person and over the telephone the following services upon primary care request:

(A) Evaluation and diagnostic support;

(B) Individual patient care progress tracking;

(C) Behavior management coaching; and

(D) Other evidence supported psychosocial care supports which are delivered as an early and easily accessed intervention for families.

(ii) The PAL team of child psychiatrists and psychologists shall provide mental health service providers with training and support, weekly care plan reviews and support on their caseloads, and direct patient evaluations for selected enhanced assessments, and must utilize a shared electronic reporting and tracking system to ensure that children not improving are identified as such and helped to receive additional services. The PAL team shall promote the appropriate use of cognitive behavioral therapies and other treatments which are empirically supported or evidence-based and encourage providers to use psychotropic medications as a last resort.

(iii) The authority shall monitor PAL plus service outcomes, including, but not limited to:

(A) Characteristics of the population being served;

(B) Process measures of service utilization;

(C) Behavioral health symptom rating scale outcomes of individuals and aggregate rating scale outcomes of populations of children served;

(D) Claims data comparison of implementation versus non-implementation regions;

(E) Service referral patterns to local specialty mental health care providers; and

(F) Family and provider feedback.

(iv) By December 31, 2017, the authority shall make a preliminary evaluation of the viability of a statewide PAL plus service program and report to the appropriate committees of the legislature, with a final evaluation report due by December 31, 2018. The final report must include recommendations on sustainability and leveraging funds through behavioral health and managed care organizations.

(tt) $400,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to increase payments for health home services, and that is the maximum that may be expended in this fiscal year for this purpose.

(2) PUBLIC EMPLOYEES BENEFITS BOARD AND EMPLOYEE BENEFITS PROGRAMS

State Health Care Authority Administration Account—

State Appropriation ((~~$38,732,000~~))

 $35,671,000

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

(a) $162,000 of the state health care authority administration account—state appropriation is for the health care authority to work with participating employers to minimize employer penalties that may be incurred by employers not providing health benefit coverage for part-time employees that are defined as full-time employees under the employer shared responsibility provisions of the federal affordable care act.

(b)(i) The state employer contribution for state employee insurance benefits is reduced for fiscal year 2017 from $894 per month to $888 per month. Reductions are achieved while maintaining fully funded reserves through the use of accumulated surplus funds due to reduced claims costs, and reduced litigation costs due to the settlement of the litigation in the four *Moore, et al. v. Health Care Authority* and the state of Washington cases. The authority is required to review the effectiveness of the wellness program known as smarthealth, and report to the appropriate committees of the legislature on the effectiveness of the wellness program on a quarterly basis beginning no later than June 30, 2016. The effectiveness report shall include information on the contractors' communication strategies, rates of employee engagement, and the identification and quarterly measurement of employee wellness outcome criteria, such as the rates of sick leave use and of improvements in chronic medical conditions among wellness plan participants. Prior to procuring contracts for health insurance and services for the 2017 calendar year, the authority shall also present the findings on the effectiveness of the wellness plan, including per plan member and per wellness plan-participant costs of the wellness program at a public meeting of the public employees' benefits board.

(ii) The authority and the public employees' benefits board shall consult with the Washington state institute for public policy on the cost-effectiveness of the wellness plan and any changes to the plan that can be made to increase the health care efficiency of the wellness plan.

(iii) The authority and the public employees' benefits board shall ensure that procurement for employee health benefits during the 2017-2019 fiscal biennium is consistent with the funding limitations provided in sections 908 through 910 of this act.

(3) HEALTH BENEFIT EXCHANGE

General Fund—State Appropriation (FY 2016) $5,942,000

General Fund—State Appropriation (FY 2017) $5,184,000

General Fund—Federal Appropriation ((~~$49,410,000~~))

 $47,986,000

Health Benefit Exchange Account—State

Appropriation ((~~$50,503,000~~))

 $52,736,000

TOTAL APPROPRIATION ~~$111,039,000~~

 $111,848,000

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

(a) The receipt and use of medicaid funds provided to the health benefit exchange from the health care authority are subject to compliance with state and federal regulations and policies governing the Washington apple health programs, including timely and proper application, eligibility, and enrollment procedures.

(b) $4,755,000 of the health benefit exchange account—state appropriation and $5,069,000 of the general fund—federal appropriation are provided solely for the customer service call center.

(c) $577,000 of the general fund—state appropriation for fiscal year 2016, $810,000 of the general fund—state appropriation for fiscal year 2017, $3,606,000 of the health benefit exchange account—state appropriation, and $1,389,000 of the general fund—federal appropriation are provided solely for in-person assisters and outreach to help individuals and families complete applications for health coverage.

(d) $1,417,000 of the health benefit exchange account—state appropriation and $8,218,000 of the general fund—federal appropriation are provided solely to fund the design, development, implementation, operation, and maintenance of the health benefit exchange's information technology systems.

(e) The authority shall require the exchange to submit to the authority and the appropriate committees of the legislature by September 30, 2015, and September 30, 2016, a detailed report including:

(i) Salaries of all current employees of the exchange, including starting salary, any increases received, and the basis for any increases; and

(ii) Salary, overtime, and compensation policies for staff of the exchange.

(f) The authority shall require the exchange to submit to the authority and the appropriate committees of the legislature on a monthly basis:

(i) A report of all expenses; and

(ii) Beginning and ending fund balances, by fund source; and

(iii) Any contracts or contract amendments signed by the exchange; and

(iv) An accounting of staff required to operate the exchange broken out by full time equivalent positions, contracted employees, temporary staff, and any other relevant designation that indicates the staffing level of the exchange.

(g)(i) By July 31, 2016, the authority shall make a payment of half the general fund—state appropriation for fiscal year 2017 and half the health benefit exchange account—state appropriation to the health benefit exchange. By January 31, 2017, the authority shall make a payment of the remaining half of the general fund—state appropriation for fiscal year 2017 and the remaining half of the health benefit exchange account—state appropriation to the health benefit exchange.

(ii) The exchange shall monitor actual to projected revenues and make necessary adjustments in expenditures or carrier assessments to ensure expenditures do not exceed actual revenues.

(iii) Payments made from general fund—state appropriation and health benefit exchange account—state appropriation shall be available for expenditure for no longer than the period of the appropriation from which it was made. When the actual cost of materials and services have been fully determined, and in no event later than the lapsing of the appropriation, any unexpended balance of the payment shall be returned to the authority for credit to the fund or account from which it was made, and under no condition shall expenditures exceed actual revenue.

(iv) As the state designated medicaid agency, the authority is responsible for maximizing the recovery of federal medicaid dollars and the timely application and follow-up for obtaining federal approval of advanced planning documents (APD). The authority shall work with the exchange to submit an APD that maximizes the recovery of medicaid costs incurred by the exchange, including indirect administrative and operational costs, no later than sixty days after the enactment of the omnibus appropriations act each year.

(h) $70,000 of the general fund—state appropriation for fiscal year 2016, $38,000 of the general fund—state appropriation for fiscal year 2017, $204,000 of the health benefit exchange account—state appropriation, and $110,000 of the general fund—federal appropriation are provided solely for improvements to the health benefit exchange financial system.

**Sec.**  2016 sp.s. c 36 s 214 (uncodified) is amended to read as follows:

**FOR THE HUMAN RIGHTS COMMISSION**

General Fund—State Appropriation (FY 2016) $2,091,000

General Fund—State Appropriation (FY 2017) ((~~$2,092,000~~))

 $2,148,000

General Fund—Federal Appropriation $2,307,000

TOTAL APPROPRIATION ~~$6,490,000~~

 $6,546,000

**Sec.**  2016 sp.s. c 36 s 216 (uncodified) is amended to read as follows:

**FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

General Fund—State Appropriation (FY 2016) $18,996,000

General Fund—State Appropriation (FY 2017) ((~~$17,543,000~~))

 $17,770,000

General Fund—Private/Local Appropriation ((~~$4,745,000~~))

 $4,963,000

Death Investigations Account—State Appropriation $148,000

24/7 Sobriety Account—State Appropriation $30,000

Municipal Criminal Justice Assistance Account—

State Appropriation $460,000

Washington Auto Theft Prevention Authority Account—

 State Appropriation ((~~$7,668,000~~))

 $7,632,000

TOTAL APPROPRIATION ~~$49,590,000~~

 $49,999,000

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

(1) $5,000,000 of the general fund—state appropriation for fiscal year 2016 and $5,000,000 of the general fund—state appropriation for fiscal year 2017, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130. The association may use no more than $50,000 per fiscal year of the amounts provided on program management activities.

(2) $605,280 of the general fund—local appropriation is provided solely to purchase ammunition for the basic law enforcement academy. Jurisdictions shall reimburse to the criminal justice training commission the costs of ammunition, based on the average cost of ammunition per cadet, for cadets that they enroll in the basic law enforcement academy.

(3) The criminal justice training commission may not run a basic law enforcement academy class of fewer than 30 students.

(4) $100,000 of the general fund—state appropriation for fiscal year 2016 and $100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a school safety program. The commission, in collaboration with the school safety center advisory committee, shall provide the school safety training for all school administrators and school safety personnel hired after the effective date of this section.

(5) $96,000 of the general fund—state appropriation for fiscal year 2016 and $96,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the school safety center within the commission. The safety center shall act as an information dissemination and resource center when an incident occurs in a school district in Washington or in another state, coordinate activities relating to school safety, and review and approve manuals and curricula used for school safety models and training. Through an interagency agreement, the commission shall provide funding for the office of the superintendent of public instruction to continue to develop and maintain a school safety information web site. The school safety center advisory committee shall develop and revise the training program, using the best practices in school safety, for all school safety personnel. The commission shall provide research-related programs in school safety and security issues beneficial to both law enforcement and schools.

(6) $123,000 of the general fund—state appropriation for fiscal year 2016 and $123,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the costs of providing statewide advanced driving training with the use of a driving simulator.

(7) $644,000 of the general fund—state appropriation for fiscal year 2016 and $595,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Second Substitute Senate Bill No. 5311 (crisis intervention training).

(8) $250,000 of the general fund—state appropriation for fiscal year 2016 and $250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the criminal justice training commission to develop and deliver research-based programs to instruct, guide, and support local law enforcement agencies in fostering the "guardian philosophy" of policing, which emphasizes de-escalating conflicts and reducing the use of force.

(9) $429,000 of the general fund—state appropriation for fiscal year 2016 and $429,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for deposit into the nonappropriated Washington internet crimes against children account for the implementation of Second Substitute Senate Bill No. 5215 (internet crimes against children).

(10) $300,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to the Washington association of sheriffs and police chiefs to fund pilot projects for law enforcement agencies in Spokane, Spokane Valley, and Spokane County to set up auto theft task forces in high risk locations and increase the use of teams devoted to combating residential burglary.

(11) $5,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the purpose of implementing House Bill No. 1448 (suicide threat response).

**Sec.**  2016 sp.s. c 36 s 217 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

General Fund—State Appropriation (FY 2016) $16,307,000

General Fund—State Appropriation (FY 2017) $17,611,000

General Fund—Federal Appropriation $11,876,000

Asbestos Account—State Appropriation $1,177,000

Electrical License Account—State Appropriation $48,157,000

Farm Labor Contractor Account—State Appropriation $28,000

Worker and Community Right-to-Know Account—

State Appropriation $972,000

Public Works Administration Account—State

Appropriation $7,629,000

Manufactured Home Installation Training Account—

State Appropriation $355,000

Accident Account—State Appropriation $281,472,000

Accident Account—Federal Appropriation ((~~$13,626,000~~))

 $14,873,000

Medical Aid Account—State Appropriation $296,297,000

Medical Aid Account—Federal Appropriation ((~~$3,186,000~~))

 $3,712,000

Plumbing Certificate Account—State Appropriation $1,783,000

Pressure Systems Safety Account—State

Appropriation $4,250,000

TOTAL APPROPRIATION ~~$704,726,000~~

 $706,499,000

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

(1) $250,000 of the general fund—state appropriation for fiscal year 2016 and $250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 100, Laws of 2015 (Substitute Senate Bill No. 5897).

(2) $2,300,000 of the medical aid account—state appropriation is provided solely for implementation of chapter 137, Laws of 2015 (Substitute House Bill No. 1496).

(3) $494,000 of the medical aid account—state appropriation and $1,580,000 of the accident fund—state appropriation are provided solely for continuation of the logger safety initiative.

(4) $4,923,000 of the medical aid account—state appropriation and $4,924,000 of the accident fund—state appropriation are provided solely for the first phase of the department's plan to replace its labor and industries industrial insurance information technology system subject to the same conditions, limitations, and review provided in section 705 (3) through (6) of this act.

(5) $3,548,000 of the electrical license account—state appropriation is provided solely for the department to develop a modern and mobile information technology system for its electrical inspection program subject to the same conditions, limitations, and review provided in section 705 (3) through (6) of this act.

(6) The department is directed under RCW 39.12.070 to adjust its fee schedule for statements of intent to pay prevailing wages and certification of affidavits of wages paid to remove or lower fees for contractors and subcontractors whose contract amounts are less than seven hundred fifty dollars beginning on January 1, 2016.

(7) $140,000 of the public works administration account—state appropriation is provided solely for implementation of chapter 40, Laws of 2015 3rd sp. sess. to create an electronic option for employers to submit prevailing wage surveys.

(8) $640,000 of the medical aid account—state appropriation is provided solely for a pilot program under which the department partners with an experienced firm or firms to manage care involving catastrophically injured workers.

(a) For each injured worker referred by the department the firm must propose a contract identifying a case outcome, the treatment needed to achieve it, and a fixed price for doing so.

(b) If the department agrees to the contract: (i) The firm must assume responsibility at the fixed price for the medical management and may include all medical costs until the outcome is achieved; (ii) the department retains the authority to approve or deny particular treatments; and (iii) the department retains the responsibility to accept and pay providers' actual bills, and the firm's compensation will be the difference between the fixed price and actual medical costs, if the firm chooses to propose a contract that includes medical costs.

(c) The department must contract with the firm or firms to manage at least twelve catastrophic cases each fiscal year, starting in fiscal year 2017, provided there is at least that many cases where: (i) An injured worker elects to be served by the firm; and (ii) the fixed price proposed by the firm is lower than the amount the department would pay to achieve the identified outcome if it did not contract with the firm.

(d) The department must provide a written report on the pilot program to the appropriate committees of the legislature in December 2016 and annually through December 2019 or the last December following termination of the contacts by the firm or firms or department.

(9) $1,130,000 of the public works administration account—state appropriation is provided solely for the department's prevailing wage technology project subject to the same conditions, limitations, and review provided in section 705 (3) through (6), chapter 4, Laws of 2015 3rd sp. sess. (Engrossed Substitute Senate Bill No. 6052).

(10) $738,000 of the medical aid account—state appropriation is provided solely to expand the use of evidence-based best practices to reduce the risk of long-term disabilities among injured workers. By December 1, 2016, the department must report to the appropriate committees of the legislature with performance measures and metrics to be used to evaluate whether the funded activities are improving care and outcomes for injured workers.

**Sec.**  2016 sp.s. c 36 s 218 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF VETERANS AFFAIRS**

(1) HEADQUARTERS

General Fund—State Appropriation (FY 2016) $1,810,000

General Fund—State Appropriation (FY 2017) $2,662,000

Charitable, Educational, Penal, and Reformatory

Institutions Account—State Appropriation $10,000

TOTAL APPROPRIATION $4,482,000

(2) FIELD SERVICES

General Fund—State Appropriation (FY 2016) $5,465,000

General Fund—State Appropriation (FY 2017) $5,526,000

General Fund—Federal Appropriation $3,628,000

General Fund—Private/Local Appropriation $4,622,000

Veteran Estate Management Account—Private/Local

Appropriation $623,000

TOTAL APPROPRIATION $19,864,000

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

(a) $300,000 of the general fund—state appropriation for fiscal year 2016 and $300,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to provide crisis and emergency relief and education, training, and employment assistance to veterans and their families in their communities through the veterans innovation program.

(b) The creation of an automated exchange of information between the federal department of defense, federal veterans administration, and the Washington department of veterans affairs is the sole project for the Washington department of veterans affairs in the information technology pool. Ongoing funding may be provided for staffing, training, and subscription costs associated with a web-based software tool that has been configured to meet the business requirements of the Washington department of veterans affairs. Additional information technology projects, such as the complete automation of the Washington department of veterans affairs business processes through an enterprise case management system, are subject to future funding decisions by the legislature. The conditions and limitations in this subsection apply only if the specified project is funded from the information technology pool.

 (3) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2016) $697,000

General Fund—State Appropriation (FY 2017) ((~~$796,000~~))

 $3,299,000

General Fund—Federal Appropriation $80,104,000

General Fund—Private/Local Appropriation $29,781,000

TOTAL APPROPRIATION ~~$111,378,000~~

 $113,881,000

**Sec.**  2016 sp.s. c 36 s 219 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF HEALTH**

General Fund—State Appropriation (FY 2016) $57,958,000

General Fund—State Appropriation (FY 2017) $60,149,000

General Fund—Federal Appropriation ((~~$564,025,000~~))

 $540,675,000

General Fund—Private/Local Appropriation ((~~$151,242,000~~))

 $179,242,000

Hospital Data Collection Account—State Appropriation $331,000

Health Professions Account—State Appropriation $120,788,000

Aquatic Lands Enhancement Account—State Appropriation $615,000

Emergency Medical Services and Trauma Care Systems

Trust Account—State Appropriation $9,226,000

Safe Drinking Water Account—State Appropriation $6,934,000

Drinking Water Assistance Account—Federal

Appropriation $17,364,000

Waterworks Operator Certification—State

Appropriation $1,606,000

Drinking Water Assistance Administrative Account—

State Appropriation ((~~$357,000~~))

 $610,000

Site Closure Account—State Appropriation $162,000

Biotoxin Account—State Appropriation $1,894,000

State Toxics Control Account—State Appropriation $4,037,000

Medical Test Site Licensure Account—State

Appropriation $2,516,000

Youth Tobacco Prevention Account—State Appropriation $2,962,000

Public Health Supplemental Account—Private/Local

Appropriation $3,244,000

Accident Account—State Appropriation $324,000

Medical Aid Account—State Appropriation $53,000

Medicaid Fraud Penalty Account—State

Appropriation $994,000

Dedicated Marijuana Account—State

Appropriation (FY 2016) $7,500,000

Dedicated Marijuana Account—State

Appropriation (FY 2017) $7,500,000

TOTAL APPROPRIATION ~~$1,021,781,000~~

 $1,026,684,000

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

(1) The department of health shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department of health and the state board of health shall not implement any new or amended rules pertaining to primary and secondary school facilities until the rules and a final cost estimate have been presented to the legislature, and the legislature has formally funded implementation of the rules through the omnibus appropriations act or by statute. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation that provides appropriation authority, and an equal amount of appropriated state moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(2) $130,000 of the health professions state account—state appropriation is provided solely for implementation of chapter 118, Laws of 2015 (applied behavior analysis).

(3) $38,000 of the general fund—state appropriation for fiscal year 2016 and $38,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the department of health, the department of social and health services, and the health care authority to continue to collaborate to submit a coordinated report on diabetes to the governor and appropriate committees of the legislature by June 30, 2017. The report on diabetes must include the following:

(a) An analysis of the financial impact and reach that diabetes of all types is having on programs administered by each agency and individuals enrolled in those programs, including:

(i) The number of individuals with diabetes that are impacted or covered by these programs;

(ii) The number of family members of individuals with diabetes that are impacted by these programs;

(iii) The financial toll or impact that diabetes and its complications places on these programs, and how the financial toll or impact compares to that of other chronic diseases and conditions;

(b) An assessment of the benefits of programs and activities implemented by the agencies to control and prevent diabetes, including documentation of the amount and source of the agencies' funding for these programs and activities;

(c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all forms of diabetes and its complications;

(d) The development of or revision to each agency's action plan for addressing the impact of diabetes together with a range of actionable items for either each agency or consideration by the legislature, or both. The plans must, at a minimum:

(i) Identify proposed action steps to reduce the impact of diabetes, prediabetes, and related diabetes complications, especially for medicaid populations;

(ii) Identify expected outcomes in subsequent biennia; and

(iii) Establish benchmarks for controlling and preventing relevant forms of diabetes and appropriate measures for success;

(e) An estimate of the costs, return on investment, and resources required to implement the plans identified in subsection (d) of this section.

(4) $30,000 of the medicaid fraud penalty account—state appropriation is provided solely for implementation of chapter 259, Laws of 2015 (prescription drug monitoring).

(5) $4,015,000 of the health professions account—state appropriation is provided solely for implementation of chapter 70, Laws of 2015 (cannabis patient protection).

(6) $7,250,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $7,250,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for a marijuana education and public health program and for tobacco prevention activities that target youth and populations with a high incidence of tobacco use.

(7) $250,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and $250,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for a contract with the Washington poison center to help maintain national accreditation standards.

(8) $65,000 of the general fund—state appropriation for fiscal year 2016 and $65,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the midwifery licensure and regulatory program to supplement revenue from fees. The department shall charge no more than five hundred twenty-five dollars annually for new or renewed licenses for the midwifery program.

(9) During the 2015-2017 fiscal biennium, each person subject to RCW 43.70.110(3)(c) is required to pay only one surcharge of up to twenty-five dollars annually for the purposes of RCW 43.70.112, regardless of how many professional licenses the person holds.

(10)(a) Within existing resources, the department of health shall compile a report on ambulatory surgical facilities to be submitted to the appropriate committees of the legislature by January 1, 2016. The report shall determine:

(i) How many ambulatory centers are currently functioning in the state;

(ii) How many cases these centers receive annually;

(iii) How many of these centers are medicare certified;

(iv) How many of these centers are not medicare certified; and

(v) How many are also certified by an accrediting organization.

(b) The department shall not increase current annual fees for new or renewed licenses for ambulatory surgical facilities during the 2015-2017 fiscal biennium.

(11)(a) The pharmacy quality assurance commission shall engage in a stakeholder process to develop statutory standards and protocols specific to long-term care pharmacies and shall submit the proposed statute to the senate health care committee and house health care and wellness committee no later than November 15, 2015.

(b) When inspecting and reviewing long-term care pharmacies, the pharmacy quality assurance commission and the department of health shall recognize the applicability of medication orders in long-term care facilities and recognize the essential relationship between the practitioner, the long-term care facility registered nurse, and the pharmacist in conveying chart orders to the long-term care pharmacy.

(12) $52,000 of the health professions account—state appropriation is provided solely for implementation of chapter 159, Laws of 2015 (victim interviews training).

(13) Information technology projects or investments and proposed projects or investments impacting time capture, payroll and payment processes and systems, eligibility, case management, and authorization systems within the department of health are subject to technical oversight by the office of the chief information officer.

(14) ((~~$1,923,000 of the state toxics control account—state appropriation is provided solely for implementation of Engrossed Second Substitute House Bill No. 1472 (chemical action plans), Second Substitute Senate Bill No. 5056 (safer chemicals/action plans), Substitute Senate Bill No. 6131 (safer chemicals), or any of these. Within the amount provided in this subsection, $1,554,000 is provided solely for the department to conduct biomonitoring studies. If none of these bills is enacted by July 10, 2015, the amount provided in this subsection shall lapse.~~

~~(15)~~)) $123,000 of the general fund—state appropriation for fiscal year 2016 and $123,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the department of health to support Washington's healthiest next generation efforts by partnering with the office of the superintendent of public instruction, department of early learning, and other public and private partners as appropriate.

((~~(16)~~)) (15) $230,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 6534 (maternal mortality review). ((~~If this bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~

~~(17)~~)) (16) Within the amounts appropriated from the health professions account—state appropriation, the department must manage its pending rule-making process related to the educational and training requirements for chemical dependency professionals to complete the rule-making by June 30, 2016.

((~~(18)~~)) (17) Within the amounts appropriated in this section, the department must implement the 2014 Washington state hepatitis strategic plan, including but not limited to the implementation of the centers for disease control and prevention hepatitis C screening guidelines for persons born between 1945-1965 and other high risk groups, hepatitis C prevention, and hepatitis C case management.

((~~(19)~~)) (18) The appropriations in this section include sufficient funding for the implementation of Substitute Senate Bill No. 5778 (ambulatory surgical centers).

((~~(20)~~)) (19) The appropriations in this section include sufficient funding for the implementation of Senate Bill No. 5689 (diabetes epidemic).

((~~(21)~~)) (20) $26,000 of the medicaid fraud penalty account—state appropriation is provided solely for the implementation of Substitute House Bill No. 2730 (prescription monitoring program). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~

~~(22)~~)) (21) $21,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Substitute Senate Bill No. 6421 (epinephrine autoinjectors). ((~~If the bill is not enacted by June 30, 2016, the amount in this subsection shall lapse.~~

~~(23)~~)) (22) $49,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the department to convene a task force on patient out-of-pocket costs.

(a) By July 1, 2016, the department shall convene the task force, and the department shall coordinate the task force meetings. The task force shall include representatives from all participants with a role in determining prescription drug costs and out-of-pocket costs for patients, such as, but not limited to the following: Patient groups; insurance carriers operating in the state; pharmaceutical companies; prescribers; pharmacists; pharmacy benefit managers; hospitals; the office of the insurance commissioner; the health care authority and other purchasers; the office of financial management; unions; Taft-Hartley trusts; a business association; and biotechnology.

(b) Letters of interest from potential participants shall be submitted to the department, and the secretary, or his or her designee, shall invite representatives of interested groups to participate in the task force.

(c) The task force shall evaluate factors contributing to the out-of-pocket costs for patients, particularly in the first quarter of each year, including but not limited to prescription drug cost trends and plan benefit design.

(d) The task force shall consider patient treatment adherence and the impacts on chronic illness and acute disease, with consideration of the long-term outcomes and costs for the patient. The discussion must also consider the impact when patients cannot maintain access to their prescription drugs and the implications of adverse health impacts including the potential need for more expensive medical interventions or hospitalizations and the impact on the workforce regarding the loss of productivity. The discussion must also consider the impact of the factors on the affordability of health care coverage.

(e) The task force recommendations, or a summary of the discussions, must be provided to the appropriate committees of the legislature by December 1, 2016.

((~~(24)~~)) (23) Recognizing the financial challenges faced by the public health system, which comprises state and local entities, and the impact that those financial challenges have had on the system's ability to deliver essential public health services throughout the state, the legislature directs the department and local public health jurisdictions, within amounts appropriated in this section, to provide a proposal outlining a plan for implementing foundational public health services statewide to modernize, streamline, and fund a twenty-first century public health system in Washington state. Current fees that support the work of public health should be reviewed, and the proposal should identify those fees that are not currently supplying adequate revenue to maintain compliance or enforcement. The first report regarding the proposal is due to the appropriate committees of the legislature no later than December 1, 2016, and subsequent reports shall be submitted biennially, thereafter.

((~~(25)~~)) (24) $1,681,000 of the youth tobacco prevention account—state appropriation is provided solely for the implementation of Engrossed Substitute Senate Bill No. 6328 (vapor products). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~

~~(26)~~)) (25) $160,000 of the health professions state account—state appropriation is provided solely for the implementation of Substitute Senate Bill No. 6558 (hospital pharmacy license). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~

~~(27)~~)) (26) $100,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 2793 (suicide education). ((~~If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.~~))

**Sec.**  2016 sp.s. c 36 s 220 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

The appropriations to the department of corrections in this act shall be expended for the programs and in the amounts specified in this act. However, after May 1, ((~~2016~~)) 2017, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer general fund—state appropriations for fiscal year ((~~2016~~)) 2017 between programs. The department may not transfer funds, and the director of financial management may not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any deviations from appropriation levels. The written notification must include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund—State Appropriation (FY 2016) $59,179,000

General Fund—State Appropriation (FY 2017) ((~~$59,907,000~~))

 $59,842,000

TOTAL APPROPRIATION ~~$119,086,000~~

 $119,021,000

The appropriations in this subsection are subject to the following conditions and limitations: $35,000 of the general fund—state appropriation for fiscal year 2016 and $35,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will investigate and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at-risk of offending, including their mental health, physiological, housing, employment, and job training needs.

(2) CORRECTIONAL OPERATIONS

General Fund—State Appropriation (FY 2016) $607,084,000

General Fund—State Appropriation (FY 2017) ((~~$630,422,000~~))

 $627,861,000

General Fund—Federal Appropriation $1,892,000

Washington Auto Theft Prevention Authority Account—

State Appropriation $6,812,000

State Toxics Control Account—State Appropriation $400,000

TOTAL APPROPRIATION ~~$1,246,610,000~~

 $1,244,049,000

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

(a) During the 2015-2017 fiscal biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account.

(b) The department may contract for up to 300 beds statewide to the extent that it is at no net cost to the department. The department shall calculate and report the average cost per offender per day, inclusive of all services, on an annual basis for a facility that is representative of average medium or lower offender costs. The duration of the contracts may be for up to four years. The department shall not pay a rate greater than $65 per day per offender for all costs associated with the offender while in the local correctional facility to include programming and health care costs, or the equivalent of $65 per day per bed including programming and health care costs for full units. The capacity provided at local correctional facilities must be for offenders whom the department of corrections defines as medium or lower security offenders. Programming provided for inmates held in local jurisdictions is included in the rate, and details regarding the type and amount of programming, and any conditions regarding transferring offenders must be negotiated with the department as part of any contract. Local jurisdictions must provide health care to offenders that meet standards set by the department. The local jail must provide all medical care including unexpected emergent care. The department must utilize a screening process to ensure that offenders with existing extraordinary medical/mental health needs are not transferred to local jail facilities. If extraordinary medical conditions develop for an inmate while at a jail facility, the jail may transfer the offender back to the department, subject to terms of the negotiated agreement. Health care costs incurred prior to transfer are the responsibility of the jail.

(c) $501,000 of the general fund—state appropriation for fiscal year 2016 and $501,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the department to maintain the facility, property, and assets at the institution formerly known as the maple lane school in Rochester. The department may not house incarcerated offenders at the maple lane site until specifically directed to do so by the legislature.

(d) $479,000 of the general fund—state appropriation for fiscal year 2016, and ((~~$1,379,000~~)) $758,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the department to contract with Yakima county for the use of inmate bed capacity in lieu of prison beds operated by the state to meet prison capacity needs.

(e) The department shall review its policies and procedures for overtime usage throughout its prison custody system to identify efficiencies and best practices that will control costs. The department shall provide to the appropriate committees of the legislature by November 15, 2015, a report that makes recommendations to reduce the department's overtime usage and reduces overall costs for prison personnel.

(f) In an effort to reduce its need for medium security beds, the department shall review options to meet capacity needs in the most cost-efficient manner without compromising safety. The department shall at a minimum review its policies that determine custody levels, including examining other states' policies and determine costs to convert any empty prison beds to medium security and possibilities to utilize local jail beds for this purpose. The department must evaluate the options on both a short-term and long-term basis against the cost and timing of any proposal to build a new prison facility. The department shall report its findings and recommendations to the appropriate committees of the legislature by December 1, 2015.

(g) Within the amounts provided in this section, the department of corrections shall explore entering into an interagency agreement with the University of Washington. The interagency agreement would allow the department to receive drug pricing under 340B of the public health services act for drug purchases associated with treating patients with hepatitis C or other diseases, whereby the university is acting as the covered entity or safety-net provider. In cooperation with the University of Washington, the department must provide an estimate of the fiscal impact of a successful agreement of this nature, to be included in the report provided to the legislature under section 606 of this act.

((~~(i)~~)) (h) $454,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for nonrepresented state employees in targeted state employee job classifications psychiatrist, psychiatric social worker, and psychologist as set forth in section 906 of this act.

((~~(j)~~)) (i) $736,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of a memorandum of understanding between the governor and the teamsters union local 117, amending the collective bargaining agreement under chapter 41.80 RCW for the 2015-2017 fiscal biennium as set forth in section 904 of this act, effective July 1, 2017. The legislature recognizes that the memorandum of understanding was necessitated by an emergency and an imminent jeopardy determination by the center for medicare and medicaid services that relates to the safety and health of clients and employees, which impacts the state employee job classifications of psychiatrist, psychiatric social worker, and psychologist at prison facilities.

(3) COMMUNITY SUPERVISION

General Fund—State Appropriation (FY 2016) $157,176,000

General Fund—State Appropriation (FY 2017) ((~~$155,532,000~~))

 $167,402,000

General Fund—Federal Appropriation $995,000

TOTAL APPROPRIATION ~~$313,703,000~~

 $325,573,000

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

(a) The department of corrections shall contract with local and tribal governments for the provision of jail capacity to house offenders who violate the terms of their community supervision. A contract shall not have a cost of incarceration in excess of $85 per day per offender. A contract shall not have a year-to-year increase in excess of three percent per year. The contracts may include rates for the medical care of offenders which exceed the daily cost of incarceration and the limitation on year-to-year increases, provided that medical payments conform to the department's offender health plan and pharmacy formulary, and all off-site medical expenses are preapproved by department utilization management staff.

(b) Within the amounts provided in this subsection, specific funding is provided to implement Senate Bill No. 5070 (supervision of domestic violence offenders).

(c) The department shall engage in ongoing mitigation strategies to reduce the costs associated with community supervision violators, including improvements in data collection and reporting and alternatives to short-term confinement for low-level violators.

(4) CORRECTIONAL INDUSTRIES

General Fund—State Appropriation (FY 2016) $6,600,000

General Fund—State Appropriation (FY 2017) ((~~$6,465,000~~))

 $7,263,000

TOTAL APPROPRIATION ~~$13,065,000~~

 $13,863,000

(5) INTERAGENCY PAYMENTS

General Fund—State Appropriation (FY 2016) $44,828,000

General Fund—State Appropriation (FY 2017) $42,246,000

TOTAL APPROPRIATION $87,074,000

The appropriations in this subsection are subject to the following conditions and limitations: The state prison medical facilities may use funds appropriated in this subsection to purchase goods and supplies through hospital or other group purchasing organizations when it is cost effective to do so.

(6) OFFENDER CHANGE

General Fund—State Appropriation (FY 2016) $54,480,000

General Fund—State Appropriation (FY 2017) ((~~$53,428,000~~))

 $53,218,000

TOTAL APPROPRIATION ~~$107,908,000~~

 $107,698,000

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

(a) The department of corrections shall use funds appropriated in this subsection (6) for offender programming. The department shall develop and implement a written comprehensive plan for offender programming that prioritizes programs which follow the risk-needs-responsivity model, are evidence-based, and have measurable outcomes. The department is authorized to discontinue ineffective programs and to repurpose underspent funds according to the priorities in the written plan.

(b) Effective April 1, 2016, the regional support networks must subcontract with providers that have specialized expertise in the provision of outpatient chemical dependency treatment services to offenders who have been sentenced by a superior court to a term of community supervision by the department of corrections. The department of corrections and the department of social and health services must develop a memorandum of understanding for offenders on active supervision by the department who are eligible for chemical dependency programming and to ensure that manualized evidence-based treatment services funded by these agencies are coordinated, do not result in duplication of services, and maintain access and quality of care for the individuals being served.

(c) The department of corrections shall implement and make necessary changes to policies and practices to assist eligible needs-assessed offenders within the community with access to outpatient chemical dependency treatment services through the behavioral health organizations and early adopters.

**Sec.**  2016 sp.s. c 36 s 221 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

General Fund—State Appropriation (FY 2016) $2,294,000

General Fund—State Appropriation (FY 2017) ((~~$2,728,000~~))

 $2,739,000

General Fund—Federal Appropriation ((~~$23,163,000~~))

 $23,206,000

General Fund—Private/Local Appropriation $60,000

 TOTAL APPROPRIATION ~~$28,245,000~~

 $28,299,000

**PART XIII**

**NATURAL RESOURCES**

**Sec.**  2016 sp.s. c 36 s 301 (uncodified) is amended to read as follows:

**FOR THE COLUMBIA RIVER GORGE COMMISSION**

General Fund—State Appropriation (FY 2016) $464,000

General Fund—State Appropriation (FY 2017) ((~~$476,000~~))

 $479,000

General Fund—Federal Appropriation $32,000

General Fund—Private/Local Appropriation ((~~$906,000~~))

 $909,000

TOTAL APPROPRIATION ~~$1,878,000~~

 $1,884,000

**Sec.**  2016 sp.s. c 36 s 302 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**

General Fund—State Appropriation (FY 2016) $24,537,000

General Fund—State Appropriation (FY 2017) ((~~$24,623,000~~))

 $24,552,000

General Fund—Federal Appropriation $103,782,000

General Fund—Private/Local Appropriation $22,396,000

Reclamation Account—State Appropriation $4,703,000

Flood Control Assistance Account—State Appropriation ((~~$2,069,000~~))

 $1,989,000

State Emergency Water Projects Revolving Account—State

Appropriation $40,000

Waste Reduction/Recycling/Litter Control—State

Appropriation ((~~$13,290,000~~))

 $13,279,000

State Drought Preparedness Account—State Appropriation $872,000

State and Local Improvements Revolving Account (Water

Supply Facilities)—State Appropriation $150,000

Aquatic Algae Control Account—State Appropriation $518,000

Water Rights Tracking System Account—State Appropriation $446,000

Site Closure Account—State Appropriation $578,000

Wood Stove Education and Enforcement Account—State

Appropriation $547,000

Worker and Community Right-to-Know Account—State

Appropriation $1,792,000

Water Rights Processing Account—State Appropriation $39,000

State Toxics Control Account—State Appropriation ((~~$123,470,000~~))

 $123,321,000

State Toxics Control Account—Private/Local

Appropriation $499,000

Local Toxics Control Account—State Appropriation ((~~$4,527,000~~))

 $4,523,000

Water Quality Permit Account—State Appropriation ((~~$44,673,000~~))

 $44,614,000

Underground Storage Tank Account—State Appropriation ((~~$3,546,000~~))

 $3,493,000

Biosolids Permit Account—State Appropriation $2,108,000

Environmental Legacy Stewardship Account—State

Appropriation ((~~$36,091,000~~))

 $36,052,000

Hazardous Waste Assistance Account—State

Appropriation ((~~$6,149,000~~))

 $6,138,000

Radioactive Mixed Waste Account—State Appropriation ((~~$15,968,000~~))

 $15,944,000

Air Pollution Control Account—State Appropriation ((~~$3,985,000~~))

 $3,605,000

Oil Spill Prevention Account—State Appropriation ((~~$8,716,000~~))

 $8,705,000

Air Operating Permit Account—State Appropriation ((~~$3,233,000~~))

 $3,192,000

Freshwater Aquatic Weeds Account—State Appropriation $1,439,000

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

Water Pollution Control Revolving Administration

Account—State Appropriation $579,000

Water Pollution Control Revolving Account—State

Appropriation $493,000

Water Pollution Control Revolving Account—Federal

Appropriation $2,336,000

TOTAL APPROPRIATION ~~$465,270,000~~

 $464,337,000

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

(1) $170,000 of the oil spill prevention account—state appropriation is provided solely for a contract with the University of Washington's sea grant program to continue an educational program targeted to small spills from commercial fishing vessels, ferries, cruise ships, ports, and marinas.

(2) $495,000 of the state toxics control account—state appropriation and $625,000 of the local toxics control account—state appropriation is provided solely for the expansion of the local source control program by adding additional capacity in the Columbia River basin and Clark county.

(3) $310,000 of the state toxics control account—state appropriation is provided solely for the Spokane river regional toxics task force to address elevated levels of polychlorinated biphenyls in the Spokane river.

(4) Within the amounts appropriated in this section, the department shall conduct a stakeholder process with the department of fish and wildlife to develop recommendations to restructure the fees under RCW 90.16.050 and report to the appropriate committees of the legislature by December 1, 2015.

(5) $1,044,000 of the oil spill prevention account—state appropriation is provided solely for the implementation of chapter 274, Laws of 2015 (ESHB 1449).

(6) $3,883,000 of the state toxics control account—state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 1472 (chemical action plans), Second Substitute Senate Bill No. 5056 (safer chemicals/action plans), Substitute Senate Bill No. 6131 (safer chemicals), or any of these. If none of these bills are enacted by July 10, 2015, the amount provided in this subsection shall lapse.

(7) $134,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for implementation of chapter 144, Laws of 2015 (SHB 1851).

(8) $135,000 of the general fund—state appropriation for fiscal year 2016 and $135,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Walla Walla watershed management partnership to address water resource and management issues in the Walla Walla watershed.

(9)(a) $14,000,000 of the general fund—state appropriation for fiscal year 2016 and $14,000,000 of the general fund—state appropriation for fiscal year 2017 are for activities within the water resources program.

(b) Of the amounts provided in (a) of this subsection, $500,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for processing water right permit applications only if the department of ecology issues at least five hundred water right decisions in fiscal year 2016. If the department of ecology does not issue at least five hundred water right decisions in fiscal year 2016, the amount provided in this subsection shall lapse and remain unexpended. Permit decisions for the Columbia river basin count toward the five hundred water rights decisions under this subsection. The department of ecology shall submit a report to the office of financial management and the state treasurer by June 30, 2016, that documents whether five hundred water right decisions were issued in fiscal year 2016. For the purposes of this subsection, applications that are voluntarily withdrawn by an applicant do not count towards the five hundred water right decision requirement. For the purposes of water budget-neutral requests under chapter 173-539A WAC, multiple domestic connections authorized within a single water budget-neutral decision are considered one decision for the purposes of this subsection.

(10) Within the amounts appropriated in this section, the department must evaluate mitigation options for domestic water use in areas of the Yakima basin for which mitigation water is unavailable and access to water from water banks is unsuitable. The department must recommend solutions for providing mitigation water for domestic use in such areas. A report of the department's findings must be provided to the legislature by December 1, 2015.

(11) $319,000 of the general fund—state appropriation for fiscal year 2017, $56,000 of the waste reduction, recycling, and litter control account—state appropriation, $806,000 of the state toxics control account—state appropriation, $281,000 of the water quality permit account—state appropriation, $188,000 of the environmental legacy stewardship account—state appropriation, $56,000 of the hazardous waste assistance account—state appropriation, $113,000 of the radioactive mixed waste account—state appropriation, and $56,000 of the oil spill prevention account—state appropriation are provided solely for the attendance tracking replacement system project, and are subject to the same conditions, limitations and review provided in section 705 (4) through (6), chapter 4, Laws of 2015 3rd sp. sess. (Engrossed Substitute Senate Bill No. 6052).

(12) Within the amounts appropriated in this section, the director of the department, working with the commissioner of public lands, shall conduct a management review of the joint federal and state dredged material management program and recommend and, as appropriate, implement actions designed to ensure that the program is functioning to facilitate the disposal of dredged material at open water disposal sites using methods that are protective of human health and in compliance with applicable federal and state environmental laws, regulations, and permit requirements. The director and commissioner shall report findings and proposed actions to the relevant committees of the legislature no later than November 1, 2016. The director and commissioner shall consider input and perspectives from tribal governments and agencies that issue permits for open water disposal of dredged material in Puget Sound, including the department of natural resources, the department of ecology, the United States environmental protection agency, and the United States army corps of engineers. This review shall include, but is not limited to: (a) The extent to which current operations, policies, and decisions of the dredged material management program provide for dredging actions necessary to maintain navigation and commerce; (b) determining what regulatory flexibility exists to allow open water disposal of dredged materials in a manner that will protect human health and the environment; and (c) an evaluation of the dredged material management program's decision-making process and policies to ensure that existing regulatory flexibility is appropriately used and that appropriate management and oversight is incorporated.

(13) $25,000 of the reclamation account—state appropriation is provided solely for implementation of Substitute House Bill No. 1130 (water power license fees). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

((~~(15)~~)) (14) During the 2015-2017 fiscal biennium, the department shall not retain fees in excess of the estimated amount necessary to cover the agency's administrative costs related to the mercury light stewardship program under chapter 70.275 RCW. The department shall refund any fees collected in excess of those administrative costs to any approved stewardship organization under chapter 70.275 RCW.

((~~(16)~~)) (15) For the purposes of evaluating the requirements of RCW 70.95.290, the department, in consultation with the Washington materials management and financing authority, shall, within existing resources, report to the appropriate committees of the legislature on whether the department and the Washington materials management and financing authority have utilized existing infrastructure for the collection of electronics. In its report, the department, in consultation with the Washington materials management and financing authority, must report on the location and number of new programs created and depot systems developed since 2006 for the purpose of collecting electronics, how many existing collections sites have been utilized, as well as how many curbside collection companies were contracted with for collection of electronics. The department must submit the report to the appropriate committees of the legislature no later than September 1, 2016.

((~~(17)~~)) (16) $22,000 of the general fund—state appropriation for fiscal year 2016 and $50,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Engrossed Senate Bill No. 6589 (water storage/exempt wells). If the bill is not enacted by June 30, 2016, the amounts provided in this subsection shall lapse.

((~~(18)~~)) (17) $300,000 of the state toxics control account—state appropriation is provided solely for the hazardous waste and toxics reduction program and is contingent on the implementation of section 3 of Engrossed Substitute House Bill No. 2545 (flame retardant chemicals). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

**Sec.**  2016 sp.s. c 36 s 303 (uncodified) is amended to read as follows:

**FOR THE STATE PARKS AND RECREATION COMMISSION**

General Fund—State Appropriation (FY 2016) $10,558,000

General Fund—State Appropriation (FY 2017) $11,109,000

General Fund—Federal Appropriation $6,920,000

Winter Recreation Program Account—State Appropriation $3,309,000

ORV and Nonhighway Vehicle Account—State Appropriation $231,000

Snowmobile Account—State Appropriation ((~~$5,824,000~~))

 $4,300,000

Aquatic Lands Enhancement Account—State Appropriation $369,000

Recreation Access Pass Account—State

Appropriation ((~~$250,000~~))

 $200,000

Parks Renewal and Stewardship Account—State

Appropriation ((~~$131,357,000~~))

 $129,082,000

Parks Renewal and Stewardship Account—Private/Local

Appropriation $318,000

TOTAL APPROPRIATION ~~$170,245,000~~

 $166,396,000

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

(1) $79,000 of the general fund—state appropriation for fiscal year 2016, $79,000 of the general fund—state appropriation for fiscal year 2017, $25,000 of the snowmobile account—state appropriation, and $25,000 of the winter recreation program account—state appropriation are provided solely for a grant for the operation of the Northwest weather and avalanche center.

(2) $100,000 of the general fund—state appropriation for fiscal year 2016 and $100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the commission to pay assessments charged by local improvement districts.

(3) ((~~$250,000~~)) $200,000 of the recreation access pass account—state appropriation is provided solely for the commission, using its authority under RCW 79A.05.055(3) and in partnership with the department of fish and wildlife and the department of natural resources, to coordinate a process to develop options and recommendations to improve consistency, equity, and simplicity in recreational access fee systems while accounting for the fiscal health and stability of public land management. The process must be collaborative and include other relevant agencies and appropriate stakeholders. The commission must contract with the William D. Ruckelshaus Center or another neutral third party to facilitate meetings and discussions with parties involved in the process and provide a report to the appropriate committees of the legislature by December 1, 2017. The process must analyze and make recommendations on:

(a) Opportunities for federal and state recreational permit fee coordination, including the potential for developing a system that allows a single pass to provide access to federal and state lands;

(b) Opportunities to enhance consistency in the way state and federal recreational access fees apply to various types of recreational users, including those that travel to public lands by motor vehicle, boat, bicycle, foot, or another method; and

(c) Opportunities to develop a comprehensive and consistent statewide approach to recreational fee discounts and exemptions to social and other groups including, but not limited to, disabled persons, seniors, disabled veterans, foster families, low-income residents, and volunteers. This analysis must examine the cost of such a program, and should consider how recreational fee discounts fit into the broader set of benefits provided by the state to these social groups. This includes a review of the efficacy, purpose, and cost of existing recreational fee discounts and exemptions, as well as opportunities for new or modified social group discounts and exemptions. The department of veterans affairs and the department of social and health services must be included in this portion of the process.

(4) $100,000 of the parks renewal and stewardship account—state appropriation is provided solely for conducting noxious weed treatment and vegetation management on the John Wayne pioneer trail to protect adjacent land owners from noxious weeds with priority in areas where there is adjacent agricultural use. Control of noxious weeds must follow an integrated pest management approach including the use of biological, chemical, and mechanical control prescriptions in accordance with chapter 17.15 RCW and consistent with state and county weed board requirements. The commission must report on its progress in meeting this requirement to the appropriate committees of the legislature by September 30, 2016.

(5) $14,185,000 of the parks renewal and stewardship account—state appropriation is provided solely for expenditures related to state parks. Of this amount, $11,614,000 is provided for maintenance and preservation activities, $1,971,000 is provided for radio equipment and installation, $300,000 is provided for firefighting vehicles, equipment, and supplies, and $300,000 is provided for marketing activities.

**Sec.**  2016 sp.s. c 36 s 304 (uncodified) is amended to read as follows:

**FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

General Fund—State Appropriation (FY 2016) $842,000

General Fund—State Appropriation (FY 2017) ((~~$818,000~~))

 $916,000

General Fund—Federal Appropriation $3,536,000

General Fund—Private/Local Appropriation $24,000

Aquatic Lands Enhancement Account—State Appropriation $488,000

Firearms Range Account—State Appropriation $37,000

Recreation Resources Account—State Appropriation ((~~$3,263,000~~))

 $3,414,000

NOVA Program Account—State Appropriation $1,014,000

TOTAL APPROPRIATION ~~$10,022,000~~

 $10,271,000

**Sec.**  2016 sp.s. c 36 s 305 (uncodified) is amended to read as follows:

**FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE**

General Fund—State Appropriation (FY 2016) $2,149,000

General Fund—State Appropriation (FY 2017) ((~~$2,175,000~~))

 $2,186,000

TOTAL APPROPRIATION ~~$4,324,000~~

 $4,335,000

**Sec.**  2016 sp.s. c 36 s 306 (uncodified) is amended to read as follows:

**FOR THE CONSERVATION COMMISSION**

General Fund—State Appropriation (FY 2016) $6,778,000

General Fund—State Appropriation (FY 2017) ((~~$6,848,000~~))

 $6,865,000

General Fund—Federal Appropriation $2,301,000

Public Works Assistance Account—State Appropriation $7,600,000

Disaster Response Account—State Appropriation $7,800,000

State Toxics Control Account—State Appropriation $1,000,000

TOTAL APPROPRIATION ~~$32,327,000~~

 $32,344,000

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

(1) $7,600,000 of the public works assistance account—state appropriation is provided solely for implementation of the voluntary stewardship program. This amount may not be used to fund agency indirect and administrative expenses.

(2) $6,800,000 of the disaster response account—state appropriation is provided solely to protect water quality, stabilize soil, prevent crop damage, replace fencing and help landowners recover from losses sustained from wildfires. $300,000 of this amount shall be provided to the Okanogan county noxious weed control board to control weeds and revegetate lands damaged by wildfires.

(3) $1,000,000 of the disaster response account—state appropriation is provided solely for the commission to provide to conservation districts for the firewise program.

(4)(a) $50,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the commission to convene and facilitate a food policy forum. The director of the commission is responsible for appointing participating members of the food policy forum in consultation with the director of the department of agriculture. In making appointments, the director of the commission must attempt to ensure a diversity of knowledge, experience, and perspectives by building on the representation established by the food system roundtable initiated by executive order No. 10-02.

(b) In addition to members appointed by the director of the state conservation commission, four legislators may serve on the food policy forum in an ex officio capacity. Legislative participants must be appointed as follows:

(i) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives; and

(ii) The president of the senate shall appoint one member from each of the two largest caucuses of the senate.

(c) The commission shall coordinate with the office of farmland preservation and the department of agriculture to avoid duplication of effort. The commission must report to the appropriate committees of the legislature, consistent with RCW 43.01.036, with the forum's recommendations by October 31, 2017.

**Sec.**  2016 sp.s. c 36 s 307 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF FISH AND WILDLIFE**

General Fund—State Appropriation (FY 2016) $37,599,000

General Fund—State Appropriation (FY 2017) ((~~$39,435,000~~))

 $39,598,000

General Fund—Federal Appropriation ((~~$113,956,000~~))

 $114,877,000

General Fund—Private/Local Appropriation $61,739,000

ORV and Nonhighway Vehicle Account—State Appropriation $425,000

Aquatic Lands Enhancement Account—State

Appropriation ((~~$11,627,000~~))

 $11,327,000

Recreational Fisheries Enhancement—State

Appropriation $2,997,000

Disaster Response Account—State Appropriation $642,000

Warm Water Game Fish Account—State Appropriation ((~~$2,738,000~~))

 $2,538,000

Eastern Washington Pheasant Enhancement Account—State

Appropriation $850,000

Aquatic Invasive Species Enforcement Account—State

Appropriation $219,000

Aquatic Invasive Species Prevention Account—State

Appropriation $778,000

State Wildlife Account—State Appropriation $117,456,000

Special Wildlife Account—State Appropriation ((~~$313,000~~))

 $1,801,000

Special Wildlife Account—Federal Appropriation $500,000

Special Wildlife Account—Private/Local Appropriation $3,517,000

Wildlife Rehabilitation Account—State Appropriation $359,000

Hydraulic Project Approval Account—State Appropriation $669,000

Environmental Legacy Stewardship Account—State

Appropriation $2,814,000

Regional Fisheries Enhancement Salmonid Recovery Account—

Federal Appropriation $5,001,000

Oil Spill Prevention Account—State Appropriation $1,075,000

Oyster Reserve Land Account—State Appropriation $779,000

TOTAL APPROPRIATION ~~$405,488,000~~

 $407,560,000

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

(1) $344,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to pay for emergency fire suppression costs. This amount may not be used to fund agency indirect and administrative expenses.

(2) $596,000 of the general fund—state appropriation for fiscal year 2016 and $596,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for weed assessments and for payments in lieu of real property taxes to counties that elect to receive the payments for department owned game lands within the county.

(3) $300,000 of the aquatic lands enhancement account—state appropriation is provided solely for the aquatic invasive species and ballast water programs to address voluntary compliance and watercraft check stations and develop recommendations for future funding and the transition to new federal ballast water regulations. These recommendations shall be provided to the governor and legislature by June 1, 2016.

(4) Prior to submitting its 2017-2019 biennial operating and capital budget requests related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review the proposed requests. This review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid stocks and meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most cost effective manner. The department shall provide a copy of the HSRG review to the office of financial management with its agency budget proposal.

(5) $400,000 of the general fund—state appropriation for fiscal year 2016 and $400,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the United States army corps of engineers. Prior to implementation of any Puget Sound nearshore ecosystem restoration projects in Whatcom county, the department must consult with and seek, to the maximum extent practicable, consensus on those projects among appropriate landowners, federally recognized Indian tribes, agencies, and community and interest groups.

(6) Within the amounts appropriated in this section, the department shall identify additional opportunities for partnerships in order to keep fish hatcheries operational. Such partnerships shall aim to maintain fish production and salmon recovery with less reliance on state operating funds.

(7) Within the amounts appropriated in this section, the department shall conduct a stakeholder process with the department of ecology to develop recommendations to restructure the fees under RCW 90.16.050 and report to the appropriate committees of the legislature by December 1, 2015.

(8) The department shall maintain a working capital reserve in the nonrestricted portion of the state wildlife account of no more than five percent of projected expenses in the nonrestricted portion of the account.

(9) $72,000 of the oil spill prevention account—state appropriation is provided solely for implementation of chapter 274, Laws of 2015 (ESHB 1449).

(10) $352,000 of the general fund—state appropriation for fiscal year 2016 and $351,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of chapter 191, Laws of 2015 (SSB 5166).

(11) $642,000 of the disaster response account—state appropriation is provided solely for wildland fire restoration activities on state wildlife areas.

(12) $100,000 of the general fund—state appropriation for fiscal year 2016 and $375,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the department to establish a work unit to engage and empower diverse stakeholders in decisions about fish and wildlife.

(13) $300,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to fund cost share partnerships between the department and landowners via livestock damage prevention cooperative agreements. The agreements are part of the department's efforts to help landowners implement measures to reduce the potential for wolf-livestock conflict.

(14) $25,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to pay claims for confirmed cougar depredations on livestock.

(15) $225,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for operations at Naselle Hatchery. Any increase in hatchery fish production is contingent upon hatchery reform broodstock standards being met and state fisheries being managed to conserve wild fish populations.

(16) $25,000 of the general fund—state appropriation for fiscal year 2016 and $25,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to the Northwest straits commission for assistance in conducting and evaluating the forage fish surveys in Puget Sound.

(17) $100,000 of the state wildlife account—state appropriation is provided solely for ongoing department efforts to address elk hoof disease including monitoring prevalence in affected areas, evaluating survival of affected elk, and assessing management options in affected areas.

(18) The governor shall convene a government-to-government meeting between the department and federally recognized Indian tribes to discuss and develop a protocol regarding enforcement actions related to hunting activities by tribal members on lands where the member's tribe has a treaty or other federally recognized right to hunt.

**Sec.**  2016 sp.s. c 36 s 308 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF NATURAL RESOURCES**

General Fund—State Appropriation (FY 2016) $30,402,000

General Fund—State Appropriation (FY 2017) ((~~$49,478,000~~))

 $53,335,000

General Fund—Federal Appropriation ((~~$30,079,000~~))

 $30,631,000

General Fund—Private/Local Appropriation $2,372,000

Forest Development Account—State Appropriation $53,786,000

ORV and Nonhighway Vehicle Account—State

Appropriation $6,655,000

Surveys and Maps Account—State Appropriation $4,502,000

Aquatic Lands Enhancement Account—State

Appropriation $8,743,000

Resources Management Cost Account—State

Appropriation $119,872,000

Surface Mining Reclamation Account—State

Appropriation $3,960,000

Disaster Response Account—State Appropriation $16,601,000

Forest and Fish Support Account—State Appropriation $10,129,000

Aquatic Land Dredged Material Disposal Site Account—State

Appropriation $401,000

Natural Resources Conservation Areas Stewardship Account—State

Appropriation $34,000

Marine Resources Stewardship Trust Account—State

Appropriation $925,000

State Toxics Control Account—State Appropriation $5,438,000

Forest Practices Application Account—State

Appropriation $1,971,000

Environmental Legacy Stewardship Account—State

Appropriation $1,004,000

Air Pollution Control Account—State Appropriation ((~~$817,000~~))

 $717,000

NOVA Program Account—State Appropriation $696,000

Derelict Vessel Removal Account—State Appropriation $1,931,000

Community Forest Trust Account—State Appropriation $26,000

Agricultural College Trust Management Account—State

Appropriation $2,879,000

TOTAL APPROPRIATION ~~$352,701,000~~

 $357,010,000

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

(1) $1,420,000 of the general fund—state appropriation for fiscal year 2016 and $1,352,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

(2) ((~~$15,530,000~~)) $19,387,000 of the general fund—state appropriation for fiscal year 2017 and $10,525,000 of the disaster response account—state appropriation are provided solely for emergency fire suppression. The general fund—state appropriation and disaster response account—state appropriation provided in this subsection may not be used to fund agency indirect and administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations. The department of natural resources shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.

(3) $5,000,000 of the forest and fish support account—state appropriation is provided solely for outcome-based, performance contracts with tribes to participate in the implementation of the forest practices program. Contracts awarded may only contain indirect costs set at or below the rate in the contracting tribe's indirect cost agreement with the federal government. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.

(4) $925,000 of the marine resources stewardship trust account—state appropriation is provided solely for implementation of priority marine management planning efforts including mapping activities, ecological assessment, data tools, and stakeholder engagement.

(5) $440,000 of the state general fund—state appropriation for fiscal year 2016 and $440,000 of the state general fund—state appropriation for fiscal year 2017 are provided solely for forest work crews that support correctional camps and are contingent upon continuing operations of the Naselle youth camp.

(6) $2,390,000 of the general fund—state appropriation for fiscal year 2016 and $2,390,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the department to carry out the forest practices adaptive management program pursuant to RCW 76.09.370 and the May 24, 2012, settlement agreement entered into by the department and the department of ecology. Scientific research must be carried out according to the master project schedule and work plan of cooperative monitoring, evaluation, and research priorities adopted by the forest practices board. The forest practices board shall submit a report to the legislature following review, approval, and solicitation of public comment on the cooperative monitoring, evaluation, and research master project schedule, to include: Cooperative monitoring, evaluation, and research science and related adaptive management expenditure details, accomplishments, the use of cooperative monitoring, evaluation, and research science in decision-making, and funding needs for the coming biennium. The report shall be provided to the appropriate committees of the legislature by October 1, 2016.

(7) $155,000 of the general fund—state appropriation for fiscal year 2016 and $127,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for ongoing law enforcement, which the department may contract with local law enforcement agencies, and for noxious weed control, forest fire protection assessment, and other management costs for the Teanaway community forest as provided in the Teanaway community forest management plan.

(8) The department shall maintain working capital reserves in the resource management cost account and the forest development account of no more than five percent of the amounts appropriated in each account.

(9) $337,000 of the general fund—state appropriation for fiscal year 2016 and $311,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 182, Laws of 2015 (ESHB 2093).

(10) $1,200,000 of the disaster response account—state appropriation is provided solely for joint wildland fire training of department of natural resources, Washington national guard, local fire agency, and tribal firefighters. Of this amount, $200,000 is provided solely to train local fire agencies on the use of firefighting equipment.

(11) $215,000 of the disaster response account—state appropriation is provided solely for the department to develop a twenty-year strategic plan to treat areas of state forest land that have been identified by the department as being in poor health.

(12) $629,000 of the disaster response account—state appropriation is provided solely for the department to update the smoke management plan in consultation with the department of ecology, other relevant state and federal agencies, and relevant stakeholders.

(13) $696,000 of the disaster response account—state appropriation is provided solely to enhance the department's capacity to respond to large wildfires using in-state resources.

(14) $443,000 of the disaster response account—state appropriation is provided solely to enhance capacity for aerial attack of wildfires. Within this amount, the department must develop a pre-certified list of aerial contractors that may be available for fire suppression in fire-prone areas and report the list to the appropriate committees of the legislature by December 1, 2016.

(15) $1,000,000 of the disaster response account—state appropriation is provided solely to provide firefighting equipment to local fire agencies.

(16) $417,000 of the disaster response account—state appropriation is provided solely for wildfire prevention education, community outreach programs, technical assistance to landowners; and to ensure landowner compliance with grant and contract requirements, burn permit conditions, and industrial fire precaution levels.

(17) $569,000 of the disaster response account—state appropriation is provided solely for portable and mobile radios.

(18) $700,000 of the resources management cost account—state appropriation is provided solely for fuel reduction and forest health activities on state lands.

(19) $800,000 of the disaster response account—state appropriation is provided solely for implementation of Engrossed Substitute House Bill No. 2928 (outdoor burning). Of this amount, two percent is provided solely for the department's administrative costs, five percent is provided solely for the department to provide forest health collaboratives for burn technician costs, and ninety-three percent is provided solely for the department to provide forest health collaboratives for implementation of forest resiliency burning. The department shall direct the forest health collaboratives to complete the forest resiliency burning under this subsection by January 1, 2017. If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(20) $100,000 of the disaster response account—state appropriation is provided solely for fuel reduction and creating firebreaks in and around the city of Walla Walla's mill creek watershed.

(21) $5,057 of the disaster response account—state appropriation is provided solely for the Asotin county sheriff's office for the grizzly bear complex fire.

**Sec.**  2016 sp.s. c 36 s 310 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM**

Pollution Liability Insurance Program Trust Account—State

Appropriation ((~~$1,421,000~~))

 $1,425,000

Underground Storage Tank Revolving Account—State

Appropriation $5,000

TOTAL APPROPRIATION ~~$1,426,000~~

 $1,430,000

The appropriations in this section are subject to the following conditions and limitations: $5,000 of the underground storage tank revolving account—state appropriation is provided solely for implementation of Substitute House Bill No. 2357 (pollution insurance agency). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

**Sec.**  2016 sp.s. c 36 s 311 (uncodified) is amended to read as follows:

**FOR THE PUGET SOUND PARTNERSHIP**

General Fund—State Appropriation (FY 2016) $2,333,000

General Fund—State Appropriation (FY 2017) ((~~$2,349,000~~))

 $2,366,000

General Fund—Federal Appropriation ((~~$9,955,000~~))

 $8,964,000

Aquatic Lands Enhancement Account—State

Appropriation ((~~$2,119,000~~))

 $2,122,000

State Toxics Control Account—State Appropriation ((~~$705,000~~))

 $707,000

TOTAL APPROPRIATION ~~$17,461,000~~

 $16,492,000

The appropriations in this section are subject to the following conditions and limitations: By October 15, 2016, the Puget Sound partnership shall provide the governor a single, prioritized list of state agency 2017-2019 capital and operating budget requests related to Puget Sound restoration.

**PART XIV**

**TRANSPORTATION**

**Sec.**  2016 sp.s. c 36 s 402 (uncodified) is amended to read as follows:

**FOR THE STATE PATROL**

General Fund—State Appropriation (FY 2016) $41,105,000

General Fund—State Appropriation (FY 2017) ((~~$39,566,000~~))

 $47,151,000

General Fund—Federal Appropriation $16,073,000

General Fund—Private/Local Appropriation $3,083,000

Death Investigations Account—State Appropriation $6,439,000

Enhanced 911 Account—State Appropriation ((~~$3,230,000~~))

 $3,009,000

County Criminal Justice Assistance Account—State

Appropriation $3,532,000

Municipal Criminal Justice Assistance Account—State

Appropriation $1,443,000

Fire Service Trust Account—State Appropriation $131,000

Vehicle License Fraud Account—State Appropriation ((~~$264,000~~))

 $221,000

Disaster Response Account—State Appropriation $8,000,000

Fire Service Training Account—State Appropriation $9,997,000

Aquatic Invasive Species Enforcement Account—State

Appropriation $54,000

State Toxics Control Account—State Appropriation $532,000

Fingerprint Identification Account—State

Appropriation ((~~$14,801,000~~))

 $11,601,000

TOTAL APPROPRIATION ~~$148,249,000~~

 $152,371,000

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

(1) $200,000 of the fire service training account—state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.

(2) $8,000,000 of the disaster response account—state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 through 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.

(3) $700,000 of the fire service training account—state appropriation is provided solely for the firefighter apprenticeship training program.

(4) ((~~$3,230,000~~)) $3,009,000 of the enhanced 911 account—state appropriation is provided solely for the first phase of the state patrol's plan to upgrade the criminal history system, and is subject to the same conditions, limitations and review provided in section 705 (4) through (6) of this act.

(5) $1,375,000 of the general fund—state appropriation for fiscal year 2016 and $1,375,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 247, Laws of 2015 (Substitute House Bill No. 1068).

(6) ((~~$3,200,000 of the fingerprint investigation account—state appropriation is provided solely for the second phase of the state patrol's plan to upgrade the criminal history system, and is subject to the same conditions, limitations and review provided in section 705 (4) through (6) of this act.~~

~~(7)~~)) Within amounts provided in this section, the Washington state patrol shall work with the consolidated technology services agency to explore the feasibility and appropriateness of using vacant data halls in the state data center as storage facilities for evidence collected by law enforcement agencies, including but not limited to the state patrol. The state patrol and the consolidated technology services agency shall develop a cost estimate for modifying the data center halls in order to fit this purpose. The state patrol shall submit a report on its findings to the governor and the appropriate committees of the legislature by December 1, 2015.

((~~(8)~~)) (7) $50,000 of the general fund—state appropriation for fiscal year 2016 and $50,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the state patrol to pay assessments charged by local improvement districts.

((~~(9)~~)) (8) $388,000 of the general fund—state appropriation for fiscal year 2017, $9,000 of the vehicle license fraud account—state appropriation, and $13,000 of the general fund—local appropriation are provided solely for implementation of Engrossed Second Substitute House Bill No. 2872 (WSP recruitment and retention). If the bill is not enacted by June 30, 2016, the amounts provided in this subsection shall lapse.

((~~(10)~~)) (9) The appropriations in this section include specific funds for the purpose of implementing Second Substitute House Bill No. 2530 (protecting victims of sex crimes).

**PART XV**

**EDUCATION**

**Sec.**  2016 sp.s. c 36 s 501 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

General Fund—State Appropriation (FY 2016) $38,284,000

General Fund—State Appropriation (FY 2017) $46,199,000

General Fund—Federal Appropriation ((~~$67,169,000~~))

 $70,169,000

General Fund—Private/Local Appropriation $9,623,000

Washington Opportunity Pathways Account—State

Appropriation $292,000

Dedicated Marijuana Account—State Appropriation (FY 2016) $251,000

Dedicated Marijuana Account—State Appropriation (FY 2017) $511,000

Performance Audits of Government Account—State

Appropriation $208,000

TOTAL APPROPRIATION ~~$162,537,000~~

 $165,537,000

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

(1) $10,152,000 of the general fund—state appropriation for fiscal year 2016 and $10,410,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(a) The superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

(b) Districts shall report to the office of the superintendent of public instruction daily student unexcused absence data by school, using a uniform definition of unexcused absence as established by the superintendent.

(c) By September of each year, the office of the superintendent of public instruction shall produce an annual status report on implementation of the budget provisos in sections 501 and 513 of this act. The status report of each proviso shall include, but not be limited to, the following information: Purpose and objective, number of state staff funded by the proviso, number of contractors, status of proviso implementation, number of beneficiaries by year, list of beneficiaries, a comparison of budgeted funding and actual expenditures, other sources and amounts of funding, and proviso outcomes and achievements.

(d) The superintendent of public instruction, in consultation with the secretary of state, shall update the program prepared and distributed under RCW 28A.230.150 for the observation of temperance and good citizenship day to include providing an opportunity for eligible students to register to vote at school.

(e) Districts shall annually report to the office of the superintendent of public instruction on: (i) The annual number of graduating high school seniors within the district earning the Washington state seal of biliteracy provided in RCW 28A.300.575; and (ii) the number of high school students earning competency-based high school credits for world languages by demonstrating proficiency in a language other than English. The office of the superintendent of public instruction shall provide a summary report to the office of the governor and the appropriate committees of the legislature by December 1st of each year.

(2) $1,017,000 of the general fund—state appropriation for fiscal year 2016 and $857,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for activities associated with the implementation of new school finance systems required by chapter 236, Laws of 2010 (K-12 education funding) and chapter 548, Laws of 2009 (state's education system), including technical staff, systems reprogramming, and workgroup deliberations, including the quality education council and the data governance working group.

(3) $1,012,000 of the general fund—state appropriation for fiscal year 2016, $851,000 of the general fund—state appropriation for fiscal year 2017, and $161,000 of the Washington opportunity pathways account—state appropriation are provided solely for the operation and expenses of the state board of education, including basic education assistance activities. Of these amounts, $161,000 of the general fund—state appropriation for fiscal year 2016 and $161,000 of the Washington opportunity pathways account—state appropriation are provided solely for implementation of RCW 28A.710 as amended by Engrossed Second Substitute Senate Bill No. 6194 (public schools other than common schools).

(4) $3,571,000 of the general fund—state appropriation for fiscal year 2016 and $3,447,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to the professional educator standards board for the following:

(a) $1,050,000 in fiscal year 2016 and $1,050,000 in fiscal year 2017 are for the operation and expenses of the Washington professional educator standards board;

(b) $2,372,000 of the general fund—state appropriation for fiscal year 2016 and $2,372,000 of the general fund—state appropriation for fiscal year 2017 are for grants to improve preservice teacher training and for funding of alternative routes to certification programs administered by the professional educator standards board. Alternative routes programs include the pipeline for paraeducators program, the retooling to teach conditional loan programs, and the recruiting Washington teachers program. Within this subsection (4)(b), up to $500,000 per fiscal year is available for grants to public or private colleges of education in Washington state to develop models and share best practices for increasing the classroom teaching experience of preservice training programs;

(c) $25,000 of the general fund—state appropriation for fiscal year 2016 and $25,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the professional educator standards board to develop educator interpreter standards and identify interpreter assessments that are available to school districts. Interpreter assessments should meet the following criteria: (A) Include both written assessment and performance assessment; (B) be offered by a national organization of professional sign language interpreters and transliterators; and (C) be designed to assess performance in more than one sign system or sign language. The board shall establish a performance standard, defining what constitutes a minimum assessment result, for each educational interpreter assessment identified. The board shall publicize the standards and assessments for school district use;

(d) $124,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for implementation of chapter 136, Laws of 2014 (paraeducator development).

(5) $266,000 of the general fund—state appropriation for fiscal year 2016 and $266,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of chapter 240, Laws of 2010, including staffing the office of equity and civil rights.

(a) $5,000 of the amounts provided in this subsection shall be provided to the Washington state school directors association for the creation of a model policy and procedures for language access by limited-English proficient parents. In developing the model policy and procedures, the school directors association shall consider any guidance materials created by the United States department of justice, the United States department of education, and the office of the superintendent of public instruction, regarding how school districts can effectively assess their language access needs and how to develop appropriately tailored language access plans. The model policy and procedures must at a minimum address:

(i) Guidance and procedures for timely and accurate identification of limited-English proficient parents and guardians and their language access needs;

(ii) A recommended process and procedures for when and how to access an interpreter;

(iii) A prohibition on the use of students or children as interpreters for school-related communications;

(iv) Procedures to ensure appropriate staff are aware of parents' or guardians' need for language assistance, including guidance for all school administrators, teachers, and other appropriate staff regarding when and how to access an interpreter or translation services in a timely manner; and

(v) A process for communicating with parents and guardians about their rights under federal and state law to be provided with accessible information that allows them to make informed choices regarding their child's education and how to access the resources and services available to them.

(b) Within the amounts provided in this subsection, the office of the superintendent of public instruction shall:

(i) Convene an advisory committee with representatives of parents, school administrators, school principals, classified and certificated staff, and other appropriate parties with interest in language access for limited-English parents to develop sample materials for school districts to disseminate to both school employees and parents regarding parents' rights under the model policy developed by the Washington state school directors' association and the resources available to assist parents and guardians in accessing the services available to them. The sample materials must be developed by July 1, 2016;

(ii) Maintain and have available upon request a list of school districts that have and have not adopted the Washington state school directors' association's model policy;

(iii) Adopt rules regarding school districts' communication of the language access policy and procedure to parents, students, employees, and volunteers; and

(iv) Publish to the agency web site a listing of language access services providers available to school districts, including but not limited to, the telephonic, in-person, or video-remote interpreter services vendors on contract with the state of Washington, including contact information and training programs that are available to support school districts in preparing employees for how to access and effectively use an interpreter.

(6) $50,000 of the general fund—state appropriation for fiscal year 2016 and $50,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the ongoing work of the education opportunity gap oversight and accountability committee.

(7) $61,000 of the general fund—state appropriation for fiscal year 2016 and $61,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of chapter 380, Laws of 2009 (enacting the interstate compact on educational opportunity for military children).

(8) $131,000 of the general fund—state appropriation for fiscal year 2016 and $131,000 of the Washington opportunity pathways account—state appropriation are provided solely for the implementation of RCW 28A.710 as amended by Engrossed Second Substitute Senate Bill No. 6194 (public schools other than common schools).

(9) $1,802,000 of the general fund—state appropriation for fiscal year 2016 and $1,802,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementing a comprehensive data system to include financial, student, and educator data, including development and maintenance of the comprehensive education data and research system (CEDARS).

(10) $25,000 of the general fund—state appropriation for fiscal year 2016 and $25,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote participation in government by middle school students.

(11) $1,500,000 of the general fund—state appropriation for fiscal year 2016 and $1,500,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for collaborative schools for innovation and success authorized under chapter 53, Laws of 2012. The office of the superintendent of public instruction shall award $500,000 per year in funding for each collaborative school for innovation and success selected for participation in the pilot program during 2012.

(12) $123,000 of the general fund—state appropriation for fiscal year 2016 and $123,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 163, Laws of 2012 (foster care outcomes). The office of the superintendent of public instruction shall annually report each December on the implementation of the state's plan of cross-system collaboration to promote educational stability and improve education outcomes of foster youth.

(13) $250,000 of the general fund—state appropriation for fiscal year 2016 and $250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 178, Laws of 2012 (open K-12 education resources).

(14) $93,000 of the general fund—state appropriation for fiscal year 2016 and $93,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for chapter 185, Laws of 2011 (bullying prevention), which requires the office of the superintendent of public instruction to convene an ongoing workgroup on school bullying and harassment prevention. Within the amounts provided, $140,000 is for youth suicide prevention activities.

(15) $14,000 of the general fund—state appropriation for fiscal year 2016 and $14,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 242, Laws of 2013 (state-tribal education compacts).

(16) $62,000 of the general fund—state appropriation for fiscal year 2016 and $62,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for competitive grants to school districts to increase the capacity of high schools to offer AP computer science courses. In making grant allocations, the office of the superintendent of public instruction must give priority to schools and districts in rural areas, with substantial enrollment of low-income students, and that do not offer AP computer science. School districts may apply to receive either or both of the following grants:

(a) A grant to establish partnerships to support computer science professionals from private industry serving on a voluntary basis as coinstructors along with a certificated teacher, including via synchronous video, for AP computer science courses; or

(b) A grant to purchase or upgrade technology and curriculum needed for AP computer science, as well as provide opportunities for professional development for classroom teachers to have the requisite knowledge and skills to teach AP computer science.

(17) $10,000 of the general fund—state appropriation for fiscal year 2016 and $10,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the superintendent of public instruction to convene a committee for the selection and recognition of Washington innovative schools. The committee shall select and recognize Washington innovative schools based on the selection criteria established by the office of the superintendent of public instruction, in accordance with chapter 202, Laws of 2011 (innovation schools—recognition) and chapter 260, Laws of 2011 (innovation schools and zones).

(18) $100,000 of the general fund—state appropriation for fiscal year 2016 and $100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Mobius science center to expand mobile outreach of science, technology, engineering, and mathematics (STEM) education to students in rural, tribal, and low-income communities.

(19) $59,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the office of the superintendent of public instruction to convene a task force to design a performance-based assistance and accountability system for the transitional bilingual instruction program. The office must submit a report with recommendations from the task force to the education and fiscal committees of the legislature by January 15, 2016.

(20) $131,000 of the general fund—state appropriation for fiscal year 2016 and $131,000 of general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction to perform on-going program reviews of alternative learning experience programs and dropout reengagement programs. The amounts provided in this subsection are sufficient for the office of the superintendent of public instruction to conduct ongoing consolidated program reviews of alternative learning experience programs and dropout reengagement programs established under chapter 20, Laws of 2010. The office of the superintendent of public instruction shall include alternative learning education and dropout reengagement programs in its ongoing consolidated program reviews, as well as provide outreach and training to school districts regarding implementation of the programs. Findings from the program reviews will be used to support and prioritize the office of the superintendent of public instruction outreach and education efforts that assist school districts in implementing the programs in accordance with statute and legislative intent, as well as to support financial and performance audit work conducted by the office of the state auditor.

(21) $31,000 of the general fund—state appropriation for fiscal year 2016 and $55,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction for statewide implementation of career and technical education course equivalency frameworks authorized under RCW 28A.700.070 for math and science. This may include development of additional equivalency course frameworks, course performance assessments, and professional development for districts implementing the new frameworks. At least two of the science course frameworks must be in environmental science.

(22) $142,000 of the general fund—state appropriation for fiscal year 2016 and $142,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 103, Laws of 2014 (Substitute Senate Bill No. 6431) (youth suicide prevention).

(23) $208,000 of the performance audits of government account—state appropriation is provided solely to address additional audit resolutions and appeals in the alternative learning experience programs.

(24) $2,541,000 of the general fund—state appropriation for fiscal year 2016 and $2,541,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(25) $210,000 of the general fund—state appropriation for fiscal year 2016 and $210,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(26) $1,221,000 of the general fund—state appropriation for fiscal year 2016 and $1,221,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network.

(27) $2,549,000 of the general fund—state appropriation for fiscal year 2016 and $3,940,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington state achievers scholarship and Washington higher education readiness program. The funds shall be used to: Support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars; and to identify and reduce barriers to college for low-income and underserved middle and high school students.

(28) $1,354,000 of the general fund—state appropriation for fiscal year 2016 and $1,354,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(29) $1,000,000 of the general fund—state appropriation for fiscal year 2016, $1,000,000 of the general fund—state appropriation for fiscal year 2017, and $762,000 of the dedicated marijuana account—state appropriation are provided solely for dropout prevention, intervention, and reengagement programs, including the jobs for America's graduates (JAG) program, dropout prevention programs that provide student mentoring, and the building bridges statewide program. Starting in school year 2014-15, students in the foster care system or who are homeless shall be given priority by districts offering the jobs for America's graduates program. The office of the superintendent of public instruction shall convene staff representatives from high schools to meet and share best practices for dropout prevention. Of these amounts, $251,000 of the dedicated marijuana account—state appropriation for fiscal year 2016, and $511,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for the building bridges statewide program.

(30) $2,654,000 of the general fund—state appropriation for fiscal year 2016 and $2,984,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington kindergarten inventory of developing skills. State funding shall support the statewide administration of the inventory under RCW 28A.655.080(1) and the one-time implementation and training grants under RCW 28A.655.080(3) for schools implementing the inventory for the first time in the 2015-2017 fiscal biennium.

(31) $75,000 of the general fund—state appropriation for fiscal year 2016 and $75,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to subsidize advanced placement exam fees and international baccalaureate class fees and exam fees for low-income students. To be eligible for the subsidy, a student must be either enrolled or eligible to participate in the federal free or reduced-price lunch program, and the student must have maximized the allowable federal contribution. The office of the superintendent of public instruction shall set the subsidy in an amount so that the advanced placement exam fee does not exceed $15.00 and the combined class and exam fee for the international baccalaureate does not exceed $14.50.

(32) $293,000 of the general fund—state appropriation for fiscal year 2016 and $293,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction to support district implementation of comprehensive guidance and planning programs consistent with RCW 28A.600.045.

(33) $2,864,000 of the general fund—state appropriation for fiscal year 2016 and $3,758,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Engrossed Second Substitute House Bill No. 1546 (dual credit education opportunities).

(34) $161,000 of the general fund—state appropriation for fiscal year 2016 and $54,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the superintendent of public instruction to convene a workgroup to recommend comprehensive benchmarks for developmentally appropriate interpersonal and decision-making knowledge and skills of social and emotional learning for grades kindergarten through high school that build upon what is being done in early learning. The workgroup shall submit recommendations to the education committees of the legislature, and the office of the governor by October 1, 2016.

(35) $122,000 of the general fund—state appropriation for fiscal year 2016 and $117,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 3 (SHB No. 1813), Laws of 2015 1st sp. sess. (computer science).

(36)(a) $250,000 of the general fund—state appropriation for fiscal year 2016 and $250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction to implement a K-12 dual language expansion grant program to build and expand well-implemented, sustainable dual language programs and create state-level infrastructure dedicated to dual language instruction.

(b) The superintendent shall award grants to pairs of school districts for periods of two years. Each awarded pair must have one district with an established dual language program with a plan for expansion, and another district with the desire to implement a new dual language program.

(c) Grant funds may be used for professional development, supplemental materials, training, administrative staffing of the program, site visits, recruiting bilingual teachers and instructional aides, program evaluation, and coaching.

(37) $400,000 of the general fund—state appropriation for fiscal year 2016 and $200,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the urban school turnaround initiative as follows:

(a) The office of the superintendent of public instruction shall provide grants of equal amounts to two schools that have previously received urban school turnaround initiative grants. The purpose of these grants is to assist the schools in maintaining gains made as a result of work completed under the original program, while also phasing out state funding support of the program.

(b) The office shall allocate the funds under this subsection ((~~(36)~~)) (37) to the school district to be used exclusively in the selected schools. The district may not charge an overhead or indirect fee for the allocated funds or supplant other state, federal, or local funds in the selected schools. The school district shall use the funds for intensive supplemental instruction, services, and materials in the selected schools, including but not limited to professional development for school staff; updated curriculum, materials, and technology; extended learning opportunities for students; reduced class size; summer enrichment activities; school-based health clinics; and other research-based initiatives to dramatically turn around the performance and close the achievement gap in the schools. The office shall enter into an expenditure agreement with the school district under which any funds under this subsection ((~~(41)~~)) (37) remaining unspent on ((~~August 31~~)) June 30, 2017, shall be returned to the state. Priorities for the expenditure of the funds shall be determined by the leadership and staff of each school.

(38) $125,000 of the general fund—state appropriation for fiscal year 2016 and $125,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Kip Tokuda memorial Washington civil liberties public education program. The superintendent of public instruction shall award grants consistent with RCW 28A.300.410.

(39) $652,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the administration of the preliminary scholastic aptitude test to ninth and tenth grade participants in the college bound program. The superintendent of public instruction shall partner with a national nonprofit organization that offers the aptitude test and that will provide: (i) Early and annual feedback on student progress; (ii) detailed performance feedback connected to Washington's standards, instruction, and assessments; (iii) access to state-of-the-art learning tools including free, personalized practice; (iv) access to college and career planning tools; (v) personalized information packets to high-achieving, low-income students to increase the number of applications from this group of students to public four-year institutions of higher education and independent, nonprofit baccalaureate degree-granting institutions in Washington; and (vi) for income eligible students, the opportunity to take the preliminary scholastic aptitude test in eleventh grade at no cost, to take the scholastic aptitude test twice at no cost, and access to additional tools and score reports at no cost.

(40)(a) $125,000 of the general fund—state appropriation for fiscal year 2016 and $125,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for a grant to an entity that is exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended, as of the effective date of this section, that is affiliated and in good standing with a national congressionally chartered organization's standards under 36 U.S.C., subtitle II, part B, and that:

(i) Is facility-based and provides proven and tested recreational, educational, and character-building programs for children ages six to eighteen years of age;

(ii) Provides after school and summer programs in a minimum of fifty communities statewide, with youth development services available at least twenty hours weekly during the school year and for thirty hours weekly during summer programming;

(iii) Has adopted standards for care that at a minimum include staff ratios, staff training, health and safety standards, and mechanisms for assessing and enforcing the program's compliance with the standards;

(iv) Provides a process to receive and resolve parental complaints; and

(v) Conducts national criminal background checks for all employees and volunteers who work with children.

(b) The grant shall be used to pilot a program of academic, innovation, and mentoring. The purpose of the program is to enable eligible neighborhood youth development entities to provide out-of-school time programs for youth six to eighteen years of age that include educational services, mentoring, and linkages to positive, pro-social leisure and recreational activities. The programs must be designed for mentoring and academic enrichment that include at least two of the following three activity areas:

(i) Science, technology, engineering, and math (STEM);

(ii) Homework support and high-yield learning opportunities; and

(iii) Career exploration.

(c) The entity receiving the grant shall conduct the pilot in at least five communities statewide. The office of the superintendent of public instruction shall submit a report to the appropriate education and fiscal committees of the legislature by December 31, 2015, and a final report by December 31, 2016. The report shall outline the programs established, target populations, and pre- and post-testing results.

(41) $25,000 of the general fund—state appropriation for fiscal year 2016 and $25,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction to partner with a nonprofit organization providing music curriculum for kindergarten and first grade students and establish a grant program that provides start-up costs and materials for integrated music curriculum that links together other core curriculum. Preference shall be given to Title 1 schools, head start programs, early childhood education and assistance program sites, high poverty schools, schools with high mobility, and schools with low student achievement.

(42) $1,000,000 of the general fund—state appropriation for fiscal year 2016 and $1,000,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the computer science and education grant program to support the following three purposes: Train and credential teachers in computer sciences; provide and upgrade technology needed to learn computer science; and, for computer science frontiers grants to introduce students to and engage them in computer science. The office of the superintendent of public instruction must use the computer science learning standards adopted pursuant to Substitute House Bill No. 1813 (computer science) in implementing the grant, to the extent possible. Additionally, grants provided for the purpose of introducing students to computer science are intended to support innovative ways to introduce and engage students from historically underrepresented groups, including girls, low-income students, and minority students, to computer science and to inspire them to enter computer science careers. Grant funds for the computer science and education grant program may be expended only to the extent that they are equally matched by private sources for the program, including gifts, grants, or endowments.

(43) $1,461,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for a contract with a nongovernmental entity or entities for demonstration sites to improve the educational outcomes of students who are dependent pursuant to chapter 13.34 RCW pursuant to Fourth Substitute House Bill No. 1999 (foster youth edu. outcomes).

(a) Of the amount provided in this subsection, $446,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the demonstration site established pursuant to the 2013-2015 omnibus appropriations act, section 202(10), chapter 4, Laws of 2013, 2nd sp. sess.

(b) Of the amount provided in this subsection, $1,015,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for a second demonstration site that includes a school district or school district with a significant number of dependent students. The office of the superintendent of public instruction, in collaboration with the department of social and health services children's administration and the contracted nongovernmental entity or entities, shall select a second demonstration site for implementation after July 1, 2016.

(44) $1,000,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for implementation of Third Substitute House Bill No. 1682 (homeless students). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(45) $1,242,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for implementation of Fourth Substitute House Bill No. 1541 (educational opportunity gap). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(46) $350,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for implementation of Second Substitute House Bill No. 2449 (truancy reduction). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(47) $50,000 of the general fund—state appropriation for fiscal year 2016 and $50,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a skilled workforce development high school summer internship pilot project. The office of the superintendent of public instruction shall select two high schools from the largest urban school district in the state who will in turn select 10 students each, who have completed their junior year, to participate in a 5 1/2 week summer internship. The selected high schools must partner with the port of Seattle and manufacturing and maritime employers, who are committed to fostering the development of local youth into a skilled workforce, to provide internships for the selected students. The office of the superintendent of public instruction must submit a report to the legislature by December 1, 2016, summarizing the successes and failures of the pilot project and provide recommendations for any future actions. Expenditure of the amounts in this section is contingent on receipt by the school district of a fifty percent match in funding from nonstate sources.

(48) $1,750,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for professional development for state-funded classroom paraeducators. Training must be provided in the 2016-17 school year.

(49) $41,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the office of the superintendent of public instruction to implement the since time immemorial program, including web site updates to accommodate video content and online teaching tools, and training for classroom certificated instructional staff.

(50) $11,000 of the general fund—state appropriation for fiscal year 2016 and $8,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 3, Laws of 2016 (basic education obligations).

(51) $276,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for implementation of Engrossed Senate Bill No. 6620 (school safety). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(52) $500,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for implementation of section 1 of Engrossed Second Substitute Senate Bill No. 6455 (professional educator workforce). If section 1 of the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

**Sec.**  2016 sp.s. c 36 s 502 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL APPORTIONMENT**

General Fund—State Appropriation (FY 2016) $6,375,707,000

General Fund—State Appropriation (FY 2017) ((~~$6,734,241,000~~))

 $6,751,047,000

Education Legacy Trust Account—State Appropriation $95,730,000

TOTAL APPROPRIATION ~~$13,205,678,000~~

 $13,222,484,000

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

(1)(a) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b) For the 2015-16 and 2016-17 school years, the superintendent shall allocate general apportionment funding to school districts as provided in the funding formulas and salary schedules in sections 502 and 503 of this act, excluding (c) of this subsection.

(c) From July 1, 2015, to August 31, 2015, the superintendent shall allocate general apportionment funding to school districts programs as provided in sections 502 and 503, chapter 4, Laws of 2013 2nd sp. sess., as amended.

(d) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the fourth day of school in September and on the first school day of each month October through June, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district. Any school district concluding its basic education program in May must report the enrollment of the last school day held in May in lieu of a June enrollment.

(e)(i) Funding provided in this part V of this act is sufficient to provide each full-time equivalent student with the minimum hours of instruction required under RCW 28A.150.220.

(ii) The office of the superintendent of public instruction shall align the agency rules defining a full-time equivalent student with the increase in the minimum instructional hours under RCW 28A.150.220, as amended by the legislature in 2014.

(f) The superintendent shall adopt rules requiring school districts to report full-time equivalent student enrollment as provided in RCW 28A.655.210 and to carry out the requirement specified in subsections 2(c)(i)(B) and 2(c)(ii)(B) of this section.

(g) For the 2015-16 and 2016-17 school years, school districts must report to the office of the superintendent of public instruction the monthly actual average district-wide class size across each grade level of kindergarten, first grade, second grade, and third grade classes. The superintendent of public instruction shall report this information to the education and fiscal committees of the house of representatives and the senate by September 30th of each year.

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2015-16 and 2016-17 school years are determined using formula-generated staff units calculated pursuant to this subsection.

(a) Certificated instructional staff units, as defined in RCW 28A.150.410, shall be allocated to reflect the minimum class size allocations, requirements, and school prototypes assumptions as provided in RCW 28A.150.260, except that the allocation for guidance counselors in a middle school shall be 1.216 for the 2015-16 and 2016-17 school years, this enhancement is within the program of basic education. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent student enrollment in each grade.

(b) Additional certificated instructional staff units provided in this subsection (2) that exceed the minimum requirements in RCW 28A.150.260 are enhancements outside the program of basic education, except as otherwise provided in this section.

(c)(i)(A) The superintendent shall base allocations for each level of prototypical school on the following regular education average class size of full-time equivalent students per teacher, except as provided in (c)(ii) of this subsection:

|  |  |  |  |
| --- | --- | --- | --- |
| General education class size: |  |  |  |
| Grade | RCW 28A.150.260 | 2015-16School Year | 2016-17School Year |
| Grade K |  | 22.00 | 19.00 |
| Grade 1 |  | 23.00 | 21.00 |
| Grade 2 |  | 24.00 | 22.00 |
| Grade 3 |  | 25.00 | 22.00 |
| Grade 4 |  | 27.00 | 27.00 |
| Grades 5-6 |  | 27.00 | 27.00 |
| Grades 7-8 |  | 28.53 | 28.53 |
| Grades 9-12 |  | 28.74 | 28.74 |

The superintendent shall base allocations for laboratory science, career and technical education (CTE) and skill center programs average class size as provided in RCW 28A.150.260.

(B) For grades kindergarten through three, the superintendent shall allocate funding for class size reductions to the extent of, and in proportion to, the school district's demonstrated actual weighted average class size for grades kindergarten through three, down to the weighted average class size specified in subsection 2(c)(i)(A) of this section. At a minimum, the superintendent must allocate funding sufficient to fund a weighted average class size not to exceed 25.23 full-time equivalent students per teacher in these grades.

(ii)(A) For each level of prototypical school at which more than fifty percent of the students were eligible for free and reduced-price meals in the prior school year, the superintendent shall allocate funding based on the following average class size of full-time equivalent students per teacher:

|  |  |  |
| --- | --- | --- |
| General education class size in high poverty schools: |  |  |
| Grade | RCW 28A.150.260 | 2015-16School Year | 2016-17School Year |
| Grade K |  | 18.00 | 17.00 |
| Grade 1 |  | 19.00 | 17.00 |
| Grade 2 |  | 22.00 | 18.00 |
| Grade 3 |  | 24.00 | 21.00 |
| Grade 4 |  | 27.00 | 27.00 |
| Grades 5-6 |  | 27.00 | 27.00 |
| Grades 7-8 |  | 28.53 | 28.53 |
| Grades 9-12 |  | 28.74 | 28.74 |

(B) For grades kindergarten through three, the superintendent shall allocate funding for class size reductions to the extent of, and in proportion to, the school district's demonstrated actual weighted average class size for grades kindergarten through three, down to the weighted average class size specified in subsection 2(c)(ii)(A) of this section. At a minimum, the superintendent must allocate funding sufficient to fund a weighted average class size not to exceed 25.23 full-time equivalent students per teacher in these grades.

(iii) The enhancements in this subsection (2)(c) are within the program of basic education.

(iv) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher planning period, expressed as a percentage of a teacher work day, is 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

(v) Advanced placement and international baccalaureate courses are funded at the same class size assumptions as general education schools in the same grade; and

(d)(i) Funding for teacher librarians, school nurses, social workers, school psychologists, and guidance counselors is allocated based on the school prototypes as provided in RCW 28A.150.260 and (a) of this subsection and is considered certificated instructional staff, except as provided in (d)(ii) of this subsection.

(ii) Students in approved career and technical education and skill center programs generate certificated instructional staff units to provide for the services of teacher librarians, school nurses, social workers, school psychologists, and guidance counselors at the following combined rate per 1000 student full-time equivalent enrollment:

|  |  |  |
| --- | --- | --- |
|  | 2015-16 School Year | 2016-17 School Year |
| Career and Technical Education | 3.07 | 3.07 |
| Skill Center | 3.41 | 3.41 |

(3) ADMINISTRATIVE STAFF ALLOCATIONS

(a) Allocations for school building-level certificated administrative staff salaries for the 2015-16 and 2016-17 school years for general education students are determined using the formula generated staff units calculated pursuant to this subsection. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent enrollment in each grade. The following prototypical school values shall determine the allocation for principals, assistance principals, and other certificated building level administrators:

|  |  |  |
| --- | --- | --- |
| Prototypical School Building: |  |  |
| Elementary School |  | 1.253 |
| Middle School |  | 1.353 |
| High School |  | 1.880 |

(b) Students in approved career and technical education and skill center programs generate certificated school building-level administrator staff units at per student rates that are a multiple of the general education rate in (a) of this subsection by the following factors: Career and Technical Education students 1.025

Skill Center students 1.198

(4) CLASSIFIED STAFF ALLOCATIONS

Allocations for classified staff units providing school building-level and district-wide support services for the 2015-16 and 2016-17 school years are determined using the formula-generated staff units provided in RCW 28A.150.260, and adjusted based on each district's annual average full-time equivalent student enrollment in each grade, except that the allocation for parent involvement coordinators in an elementary school shall be 0.0825 for the 2015-16 and 2016-17 school years, which enhancement is within the program of basic education.

(5) CENTRAL OFFICE ALLOCATIONS

In addition to classified and administrative staff units allocated in subsections (3) and (4) of this section, classified and administrative staff units are provided for the 2015-16 and 2016-17 school year for the central office administrative costs of operating a school district, at the following rates:

(a) The total central office staff units provided in this subsection (5) are calculated by first multiplying the total number of eligible certificated instructional, certificated administrative, and classified staff units providing school-based or district-wide support services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

(b) Of the central office staff units calculated in (a) of this subsection, 74.53 percent are allocated as classified staff units, as generated in subsection (4) of this section, and 25.47 percent shall be allocated as administrative staff units, as generated in subsection (3) of this section.

(c) Staff units generated as enhancements outside the program of basic education to the minimum requirements of RCW 28A.150.260, and staff units generated by skill center and career-technical students, are excluded from the total central office staff units calculation in (a) of this subsection.

(d) For students in approved career-technical and skill center programs, central office classified units are allocated at the same staff unit per student rate as those generated for general education students of the same grade in this subsection (5), and central office administrative staff units are allocated at staff unit per student rates that exceed the general education rate established for students in the same grade in this subsection (5) by 1.46 percent in the 2015-16 school year and 1.45 percent in the 2016-17 school year for career and technical education students, and 17.33 percent in the 2015-16 school year and 17.31 percent in the 2016-17 school year for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 21.42 percent in the 2015-16 school year and 21.42 percent in the 2016-17 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 22.72 percent in the 2015-16 school year and 22.72 percent in the 2016-17 school year for classified salary allocations provided under subsections (4) and (5) of this section.

(7) INSURANCE BENEFIT ALLOCATIONS

Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504 of this act, based on the number of benefit units determined as follows:

(a) The number of certificated staff units determined in subsections (2), (3), and (5) of this section; and

(b) The number of classified staff units determined in subsections (4) and (5) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purpose of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1,440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

Funding is allocated per annual average full-time equivalent student for the materials, supplies, and operating costs (MSOC) incurred by school districts, consistent with the requirements of RCW 28A.150.260.

(a)(i) MSOC funding for general education students are allocated at the following per student rates:

|  |
| --- |
| MSOC RATES/STUDENT FTE |
|  |
| MSOC Component | 2015-16SCHOOL YEAR | 2016-17SCHOOL YEAR |
|  |  |  |
| Technology | $127.17 |  $128.58 |
| Utilities and Insurance | $345.55 |  $349.35 |
| Curriculum and Textbooks | $136.54 |  $138.04 |
| Other Supplies and Library Materials | $289.88 |  $293.07 |
| Instructional Professional Development for Certificatedand Classified Staff |  $21.12 |  $21.35 |
| Facilities Maintenance | $171.19 |  $173.07 |
| Security and Central Office | $118.60 |  $119.90 |
| TOTAL BASIC EDUCATION MSOC/STUDENT FTE | $1,210.05 |  $1,223.36 |

(ii) For the 2016-17 school year, as part of the budget development, hearing, and review process required by chapter 28A.505 RCW, each school district must disclose: (A) The amount of state funding to be received by the district under (a) and (d) of this subsection (8); (B) the amount the district proposes to spend for materials, supplies, and operating costs; (C) the difference between these two amounts; and (D) if (A) of this subsection (8)(a)(ii) exceeds (B) of this subsection (8)(a)(ii), any proposed use of this difference and how this use will improve student achievement.

(b) Students in approved skill center programs generate per student FTE MSOC allocations of $1,272.99 for the 2015-16 school year and $1,286.99 for the 2016-17 school year.

(c) Students in approved exploratory and preparatory career and technical education programs generate a per student MSOC allocation of $1,431.65 for the 2015-16 school year and $1,447.40 for the 2016-17 school year.

(d) Students in grades 9-12 generate per student FTE MSOC allocations in addition to the allocation provided in (a) through (c) of this subsection at the following rate:

|  |  |  |
| --- | --- | --- |
| MSOC Component | 2015-16SCHOOL YEAR | 2016-17SCHOOL YEAR |
| Technology | $36.57 |  $36.98 |
| Curriculum and Textbooks | $39.89 |  $40.33 |
| Other Supplies and Library Materials | $83.11 |  $84.02 |
| Instructional Professional Development for Certifiedand Classified Staff | $6.65 |  $6.72 |
| TOTAL GRADE 9-12 BASIC EDUCATION MSOC/STUDENT FTE | $166.22 |  $168.05 |

(9) SUBSTITUTE TEACHER ALLOCATIONS

For the 2015-16 and 2016-17 school years, funding for substitute costs for classroom teachers is based on four (4) funded substitute days per classroom teacher unit generated under subsection (2) of this section, at a daily substitute rate of $151.86.

(10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

(a) Amounts provided in this section from July 1, 2015, to August 31, 2015, are adjusted to reflect provisions of chapter 4, Laws of 2013 2nd sp. sess., as amended (allocation of funding for students enrolled in alternative learning experiences).

(b) The superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives, as well as accurate, monthly headcount and FTE enrollment claimed for basic education, including separate counts of resident and nonresident students.

(11) DROPOUT REENGAGEMENT PROGRAM

The superintendent shall adopt rules to require students claimed for general apportionment funding based on enrollment in dropout reengagement programs authorized under RCW 28A.175.100 through 28A.175.115 to meet requirements for at least weekly minimum instructional contact, academic counseling, career counseling, or case management contact. Districts must also provide separate financial accounting of expenditures for the programs offered by the district or under contract with a provider, as well as accurate monthly headcount and full-time equivalent enrollment claimed for basic education, including separate enrollment counts of resident and nonresident students.

(12) VOLUNTARY ALL DAY KINDERGARTEN PROGRAMS

Funding in this section is sufficient to fund voluntary all day kindergarten programs in qualifying schools in the 2015-16 school year and all schools in the 2016-17 school year, pursuant to RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls for the voluntary all-day program in a qualifying school shall count as one-half of one full-time equivalent student for purpose of making allocations under this section. Funding in this section provides all-day kindergarten programs for 71.88 percent of kindergarten enrollment in the 2015-16 school year and full funding in the 2016-17 school year, which enhancement is within the program of basic education.

(13) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND NECESSARY PLANTS

For small school districts and remote and necessary school plants within any district which have been judged to be remote and necessary by the superintendent of public instruction, additional staff units are provided to ensure a minimum level of staffing support. Additional administrative and certificated instructional staff units provided to districts in this subsection shall be reduced by the general education staff units, excluding career and technical education and skills center enhancement units, otherwise provided in subsections (2) through (5) of this section on a per district basis.

(a) For districts enrolling not more than twenty-five average annual full-time equivalent students in grades K-8, and for small school plants within any school district which have been judged to be remote and necessary by the superintendent of public instruction and enroll not more than twenty-five average annual full-time equivalent students in grades K-8:

(i) For those enrolling no students in grades 7 and 8, 1.76 certificated instructional staff units and 0.24 certificated administrative staff units for enrollment of not more than five students, plus one-twentieth of a certificated instructional staff unit for each additional student enrolled; and

(ii) For those enrolling students in grades 7 or 8, 1.68 certificated instructional staff units and 0.32 certificated administrative staff units for enrollment of not more than five students, plus one-tenth of a certificated instructional staff unit for each additional student enrolled;

(b) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full-time equivalent students in grades K-8, and for small school plants within any school district which enroll more than twenty-five average annual full-time equivalent students in grades K-8 and have been judged to be remote and necessary by the superintendent of public instruction:

(i) For enrollment of up to sixty annual average full-time equivalent students in grades K-6, 2.76 certificated instructional staff units and 0.24 certificated administrative staff units; and

(ii) For enrollment of up to twenty annual average full-time equivalent students in grades 7 and 8, 0.92 certificated instructional staff units and 0.08 certificated administrative staff units;

(c) For districts operating no more than two high schools with enrollments of less than three hundred average annual full-time equivalent students, for enrollment in grades 9-12 in each such school, other than alternative schools, except as noted in this subsection:

(i) For remote and necessary schools enrolling students in any grades 9-12 but no more than twenty-five average annual full-time equivalent students in grades K-12, four and one-half certificated instructional staff units and one-quarter of a certificated administrative staff unit;

(ii) For all other small high schools under this subsection, nine certificated instructional staff units and one-half of a certificated administrative staff unit for the first sixty average annual full-time equivalent students, and additional staff units based on a ratio of 0.8732 certificated instructional staff units and 0.1268 certificated administrative staff units per each additional forty-three and one-half average annual full-time equivalent students;

(iii) Districts receiving staff units under this subsection shall add students enrolled in a district alternative high school and any grades nine through twelve alternative learning experience programs with the small high school enrollment for calculations under this subsection;

(d) For each nonhigh school district having an enrollment of more than seventy annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-8 program or a grades 1-8 program, an additional one-half of a certificated instructional staff unit;

(e) For each nonhigh school district having an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-6 program or a grades 1-6 program, an additional one-half of a certificated instructional staff unit;

(f)(i) For enrollments generating certificated staff unit allocations under (a) through (e) of this subsection, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

(ii) For each nonhigh school district with an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, an additional one-half of a classified staff unit; and

(g) School districts receiving additional staff units to support small student enrollments and remote and necessary plants under this subsection (12) shall generate additional MSOC allocations consistent with the nonemployee related costs (NERC) allocation formula in place for the 2010-11 school year as provided section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually for inflation.

(14) Any school district board of directors may petition the superintendent of public instruction by submission of a resolution adopted in a public meeting to reduce or delay any portion of its basic education allocation for any school year. The superintendent of public instruction shall approve such reduction or delay if it does not impair the district's financial condition. Any delay shall not be for more than two school years. Any reduction or delay shall have no impact on levy authority pursuant to RCW 84.52.0531 and local effort assistance pursuant to chapter 28A.500 RCW.

(15) The superintendent may distribute funding for the following programs outside the basic education formula during fiscal years 2016 and 2017 as follows:

(a) $620,000 of the general fund—state appropriation for fiscal year 2016 and $627,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW.

(b) $436,000 of the general fund—state appropriation for fiscal year 2016 and $436,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed $500 per full-time equivalent student enrolled in those programs.

(16) $219,000 of the general fund—state appropriation for fiscal year 2016 and $221,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for school district emergencies as certified by the superintendent of public instruction. Funding provided must be conditioned upon the written commitment and plan of the school district board of directors to repay the grant with any insurance payments or other judgments that may be awarded, if applicable. At the close of the fiscal year the superintendent of public instruction shall report to the office of financial management and the appropriate fiscal committees of the legislature on the allocations provided to districts and the nature of the emergency.

(17) Funding in this section is sufficient to fund a maximum of 1.6 FTE enrollment for skills center students pursuant to chapter 463, Laws of 2007.

(18) Students participating in running start programs may be funded up to a combined maximum enrollment of 1.2 FTE including school district and institution of higher education enrollment consistent with the running start course requirements provided in Engrossed Second Substitute House Bill No. 1546 (dual credit education opportunities). In calculating the combined 1.2 FTE, the office of the superintendent of public instruction may average the participating student's September through June enrollment to account for differences in the start and end dates for courses provided by the high school and higher education institution. Additionally, the office of the superintendent of public instruction, in consultation with the state board for community and technical colleges, the student achievement council, and the education data center, shall annually track and report to the fiscal committees of the legislature on the combined FTE experience of students participating in the running start program, including course load analyses at both the high school and community and technical college system.

(19) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (12) of this section, the following apply:

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (12) of this section shall be reduced in increments of twenty percent per year.

(20)(a) Indirect cost charges by a school district to approved career and technical education middle and secondary programs shall not exceed 15 percent of the combined basic education and career and technical education program enhancement allocations of state funds. Middle and secondary career and technical education programs are considered separate programs for funding and financial reporting purposes under this section.

(b) Career and technical education program full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported career and technical education program enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

(21) Funding in this section is sufficient to provide full general apportionment payments to school districts eligible for federal forest revenues as provided in RCW 28A.520.020. School districts receiving federal forest revenues shall not have their general apportionment reduced during the 2015-2017 biennium only.

**Sec.**  2016 sp.s. c 36 s 503 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS**

General Fund—State Appropriation (FY 2016) $137,930,000

General Fund—State Appropriation (FY 2017) ((~~$265,361,000~~))

 $266,466,000

TOTAL APPROPRIATION ~~$403,291,000~~

 $404,396,000

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

(1) Funding in this section is sufficient to provide a salary increase of 3.0 percent effective September 1, 2015, and 1.8 percent effective September 1, 2016. Of the salary increases provided in this section, the increases of 1.8 percent effective September 1, 2015, and of 1.2 percent effective September 1, 2016, are provided as annual cost-of-living adjustments pursuant to Initiative Measure No. 732. The remaining portions of the salary increases are provided as a one-biennium salary increase for the 2015-16 and 2016-17 school years as the state continues to review and revise state-funded salary allocations, and the increase expires August 31, 2017.

(2)(a) Additional salary adjustments as necessary to fund the base salaries for certificated instructional staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.

(b) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for certificated administrative staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.

(c) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for classified staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.

(d) The appropriations in this subsection (1) include associated incremental fringe benefit allocations at 20.78 percent for the 2015-16 school year and 20.78 percent for the 2016-17 school year for certificated instructional and certificated administrative staff and 19.22 percent for the 2015-16 school year and 19.22 percent for the 2016-17 school year for classified staff.

(e) The appropriations in this section include the increased or decreased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Changes for general apportionment (basic education) are based on the salary allocation schedules and methodology in sections 502 and 503 of this act. Changes for special education result from changes in each district's basic education allocation per student. Changes for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in sections 502 and 503 of this act.

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

(3) The maintenance rate for insurance benefit allocations is $768.00 per month for the 2015-16 and 2016-17 school years. The appropriations in this section reflect the incremental change in cost of allocating rates of $780.00 per month for the 2015-16 school year and $780.00 per month for the 2016-17 school year.

(4) The rates specified in this section are subject to revision each year by the legislature.

**Sec.**  2016 sp.s. c 36 s 504 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION**

General Fund—State Appropriation (FY 2016) $496,456,000

General Fund—State Appropriation (FY 2017) ((~~$488,624,000~~))

 $489,595,000

TOTAL APPROPRIATION ~~$985,080,000~~

 $986,051,000

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

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2)(a) For the 2015-16 and 2016-17 school years, the superintendent shall allocate funding to school district programs for the transportation of eligible students as provided in RCW 28A.160.192. Funding in this section constitutes full implementation of RCW 28A.160.192, which enhancement is within the program of basic education. Students are considered eligible only if meeting the definitions provided in RCW 28A.160.160.

(b) For the 2015-16 school year, the superintendent shall allocate funding for approved and operating charter schools as provided in RCW 28A.710.220(3) for September through November 2015. Per-student allocations for pupil transportation must be calculated using the allocation for the previous school year to the school district in which the charter school is located and the number of eligible students in the district, and must be distributed to the charter school based on the number of eligible students.

(c) From July 1, 2015 to August 31, 2015, the superintendent shall allocate funding to school districts programs for the transportation of students as provided in section 505, chapter 4, Laws of 2013 2nd sp. sess., as amended.

(3) A maximum of $892,000 of this fiscal year 2016 appropriation and a maximum of $892,000 of the fiscal year 2017 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(4) The office of the superintendent of public instruction shall provide reimbursement funding to a school district for school bus purchases only after the superintendent of public instruction determines that the school bus was purchased from the list established pursuant to RCW 28A.160.195(2) or a comparable competitive bid process based on the lowest price quote based on similar bus categories to those used to establish the list pursuant to RCW 28A.160.195.

(5) The superintendent of public instruction shall base depreciation payments for school district buses on the presales tax five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment shall be based on the lowest bid in the appropriate bus category for that school year.

(6) Funding levels in this section reflect waivers granted by the state board of education for four-day school weeks as allowed under RCW 28A.305.141.

(7) The office of the superintendent of public instruction shall annually disburse payments for bus depreciation in August.

**Sec.**  2015 3rd sp.s. c 4 s 506 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL FOOD SERVICE PROGRAMS**

General Fund—State Appropriation (FY 2016) $7,111,000

General Fund—State Appropriation (FY 2017) $7,111,000

General Fund—Federal Appropriation ((~~$526,332,000~~))

 $536,332,000

TOTAL APPROPRIATION ~~$540,554,000~~

 $550,554,000

The appropriations in this section are subject to the following conditions and limitations: $7,111,000 of the general fund—state appropriation for fiscal year 2016 and $7,111,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

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

(2) Assistance to school districts and authorized public and private nonprofit organizations for supporting summer food service programs, and initiating new summer food service programs in low-income areas;

(3) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced-price lunch, pursuant to chapter 287, Laws of 2005; and

(4) Assistance to school districts in initiating and expanding school breakfast programs.

The office of the superintendent of public instruction shall report annually to the fiscal committees of the legislature on annual expenditures in subsections (1), (2), and (3) of this section.

**Sec.**  2016 sp.s. c 36 s 505 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SPECIAL EDUCATION PROGRAMS**

General Fund—State Appropriation (FY 2016) $805,866,000

General Fund—State Appropriation (FY 2017) ((~~$853,389,000~~))

 $871,708,000

General Fund—Federal Appropriation ((~~$483,538,000~~))

 $487,338,000

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

TOTAL APPROPRIATION ~~$2,197,487,000~~

 $2,219,606,000

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

(1)(a) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

(b) Funding provided within this section is sufficient for districts to provide school principals and lead special education teachers annual professional development on the best-practices for special education instruction and strategies for implementation. Districts shall annually provide a summary of professional development activities to the office of the superintendent of public instruction.

(2)(a) The superintendent of public instruction shall ensure that:

(i) Special education students are basic education students first;

(ii) As a class, special education students are entitled to the full basic education allocation; and

(iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

(3) Each fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(4)(a) For the 2015-16 and 2016-17 school years, the superintendent shall allocate funding to school district programs for special education students as provided in RCW 28A.150.390, except that the calculation of the base allocation also includes allocations provided under section 502(4) for parent involvement coordinators in prototypical elementary schools and guidance counselors in prototypical middle schools as provided under section 502(2), which enhancement is within the program of basic education.

(b) From July 1, 2015 to August 31, 2015, the superintendent shall allocate funding to school district programs for special education students as provided in section 507, chapter 4, Laws of 2013 2nd sp. sess., as amended.

(5) The following applies throughout this section: The definitions for enrollment and enrollment percent are as specified in RCW 28A.150.390(3). Each district's general fund—state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 12.7 percent.

(6) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be calculated in accordance with RCW 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(7) $20,691,000 of the general fund—state appropriation for fiscal year 2016, ((~~$24,473,000~~)) $30,999,000 of the general fund—state appropriation for fiscal year 2017, and ((~~$27,350,000~~)) $17,787,000 of the general fund—federal appropriation are provided solely for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (4) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (7) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. At the conclusion of each school year, the superintendent shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible.

(a) For the 2015-16 and 2016-17 school years, safety net funds shall be awarded by the state safety net oversight committee as provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

(b) The office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year, except that the superintendent of public instruction shall make award determinations for state safety net funding in July of each school year for the Washington state school for the blind and for the center for childhood deafness and hearing loss. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

(8) A maximum of $931,000 may be expended from the general fund—state appropriations to fund 5.43 full-time equivalent teachers and 2.1 full-time equivalent aides at children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the special education program.

(9) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high-cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

(10) A school district may carry over from one year to the next year up to 10 percent of the general fund—state funds allocated under this program; however, carryover funds shall be expended in the special education program.

(11) $255,000 of the general fund—state appropriation for fiscal year 2016 and $256,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(12) $50,000 of the general fund—state appropriation for fiscal year 2016, $50,000 of the general fund—state appropriation for fiscal year 2017, and $100,000 of the general fund—federal appropriation are provided solely for a special education family liaison position within the office of the superintendent of public instruction.

**Sec.**  2016 sp.s. c 36 s 506 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE DISTRICTS**

General Fund—State Appropriation (FY 2016) $8,208,000

General Fund—State Appropriation (FY 2017) ((~~$8,200,000~~))

 $8,197,000

TOTAL APPROPRIATION ~~$16,408,000~~

 $16,405,000

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) Funding within this section is provided for regional professional development related to mathematics and science curriculum and instructional strategies aligned with common core state standards and next generation science standards. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support.

(3) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.305.130, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

**Sec.**  2016 sp.s. c 36 s 507 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT ASSISTANCE**

General Fund—State Appropriation (FY 2016) $375,622,000

General Fund—State Appropriation (FY 2017) ((~~$390,801,000~~))

 $400,207,000

TOTAL APPROPRIATION ~~$766,423,000~~

 $775,829,000

The appropriations in this section are subject to the following conditions and limitations: For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 4.27 percent from the 2014-15 school year to the 2015-16 school year and 1.09 percent from the 2015-16 school year to the 2016-17 school year.

**Sec.**  2016 sp.s. c 36 s 508 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL EDUCATION PROGRAMS**

General Fund—State Appropriation (FY 2016) $13,239,000

General Fund—State Appropriation (FY 2017) ((~~$13,271,000~~))

 $13,341,000

TOTAL APPROPRIATION ~~$26,510,000~~

 $26,580,000

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

(1) Each general fund—state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) $757,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$757,000~~)) $701,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, programs for juveniles under the juvenile rehabilitation administration, and programs for juveniles operated by city and county jails.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

**Sec.**  2016 sp.s. c 36 s 509 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

General Fund—State Appropriation (FY 2016) $10,012,000

General Fund—State Appropriation (FY 2017) ((~~$10,162,000~~))

 $10,185,000

TOTAL APPROPRIATION ~~$20,174,000~~

 $20,197,000

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

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2)(a) For the 2015-16 and 2016-17 school years, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c). In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2015, to August 31, 2015, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 4, Laws of 2013 2nd sp. sess., as amended.

(3) $85,000 of the general fund—state appropriation for fiscal year 2016 and $85,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the centrum program at Fort Worden state park.

**Sec.**  2016 sp.s. c 36 s 511 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—EDUCATION REFORM PROGRAMS**

General Fund—State Appropriation (FY 2016) $116,893,000

General Fund—State Appropriation (FY 2017) ((~~$134,641,000~~))

 $136,063,000

General Fund—Federal Appropriation $99,278,000

General Fund—Private/Local Appropriation $2,721,000

Education Legacy Trust Account—State Appropriation $1,613,000

TOTAL APPROPRIATION ~~$355,146,000~~

 $356,568,000

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

(1) $29,137,000 of the general fund—state appropriation for fiscal year 2016, $36,648,000 of the general fund—state appropriation for fiscal year 2017, $1,350,000 of the education legacy trust account—state appropriation, and $16,268,000 of the general fund—federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (a) Development and implementation of retake assessments for high school students who are not successful in one or more content areas; and (b) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student assessment results, on or around June 10th of each year. State funding to districts shall be limited to one collection of evidence payment per student, per content-area assessment. Within the amounts provided in this section, the superintendent of public instruction shall administer the biology collection of evidence. The alternative assessment method that consists of an evaluation of a collection of student work samples under RCW 28A.655.065 (5) and (6) is intended to provide an alternative way for students to meet the state standards for high school graduation purposes. To ensure that students are learning the state standards, prior to the collection of work samples being submitted to the state for evaluation, a classroom teacher or other educator must review the collection of work to determine whether the sample is likely to meet the minimum required score to meet the state standard.

(2) $356,000 of the general fund—state appropriation for fiscal year 2016 and $356,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events.

(3) $3,935,000 of the general fund—state appropriation for fiscal year 2016 and $3,935,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of a new performance-based evaluation for certificated educators and other activities as provided in chapter 235, Laws of 2010 (education reform) and chapter 35, Laws of 2012 (certificated employee evaluations).

(4) $51,337,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$56,939,000~~)) $58,361,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(a) For national board certified teachers, a bonus of $5,151 per teacher in the 2015-16 school year and a bonus of $5,208 per teacher in the 2016-17 school year;

(b) An additional $5,000 annual bonus shall be paid to national board certified teachers who teach in either: (A) High schools where at least 50 percent of student headcount enrollment is eligible for federal free or reduced-price lunch, (B) middle schools where at least 60 percent of student headcount enrollment is eligible for federal free or reduced-price lunch, or (C) elementary schools where at least 70 percent of student headcount enrollment is eligible for federal free or reduced-price lunch;

(c) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (b) of this subsection for less than one full school year receive bonuses in a prorated manner. All bonuses in this subsection will be paid in July of each school year. Bonuses in this subsection shall be reduced by a factor of 40 percent for first year NBPTS certified teachers, to reflect the portion of the instructional school year they are certified; and

(d) During the 2015-16 and 2016-17 school years, and within available funds, certificated instructional staff who have met the eligibility requirements and have applied for certification from the national board for professional teaching standards may receive a conditional loan of two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The conditional loan is provided in addition to compensation received under a district's salary schedule and shall not be included in calculations of a district's average salary and associated salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the conditional loan. The office of the superintendent of public instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees. To the extent necessary, the superintendent may use revenues from the repayment of conditional loan scholarships to ensure payment of all national board bonus payments required by this section in each school year.

(5) $477,000 of the general fund—state appropriation for fiscal year 2016 and $477,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(6) $950,000 of the general fund—state appropriation for fiscal year 2016 and $950,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs.

(7) $810,000 of the general fund—state appropriation for fiscal year 2016 and $810,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to operate a state-of-the-art education leadership academy that will be accessible throughout the state. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(8) $3,000,000 of the general fund—state appropriation for fiscal year 2016 and $3,000,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a statewide information technology (IT) academy program. This public-private partnership will provide educational software, as well as IT certification and software training opportunities for students and staff in public schools.

(9) $1,677,000 of the general fund—state appropriation for fiscal year 2016 and $1,677,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. If equally matched by private donations, $700,000 of the 2016 appropriation and $700,000 of the 2017 appropriation shall be used to support FIRST robotics programs. Of the amounts in this subsection, $100,000 of the fiscal year 2016 appropriation and $100,000 of the fiscal year 2017 appropriation are provided solely for the purpose of statewide supervision activities for career and technical education student leadership organizations.

(10) $125,000 of the general fund—state appropriation for fiscal year 2016 and $125,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of $2,500 to provide twenty middle and high school teachers each year with professional development training for implementing integrated math, science, technology, and engineering programs in their schools.

(11) $135,000 of the general fund—state appropriation for fiscal year 2016 and $135,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for science, technology, engineering and mathematics lighthouse projects, consistent with chapter 238, Laws of 2010.

(12) $5,500,000 of the general fund—state appropriation for fiscal year 2016 and $9,000,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a beginning educator support program. The program shall prioritize first year teachers in the mentoring program. School districts and/or regional consortia may apply for grant funding. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together; and teacher observation time with accomplished peers. Funding may be used to provide statewide professional development opportunities for mentors and beginning educators.

(13) $250,000 of the general fund—state appropriation for fiscal year 2016 and $250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for advanced project lead the way courses at ten high schools. To be eligible for funding in 2016, a high school must have offered a foundational project lead the way course during the 2014-15 school year. The 2016 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2015-16 school year. To be eligible for funding in 2016, a high school must have offered a foundational project lead the way course during the 2015-16 school year. The 2017 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2016-17 school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(14) $300,000 of the general fund—state appropriation for fiscal year 2016 and $300,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for annual start-up or expansion grants for aerospace and manufacturing technical programs housed at skill centers. The grants are provided for equipment, professional development, and curriculum purchases. To be eligible for funding, the skill center must agree to provide regional high schools with access to a technology laboratory, expand manufacturing certificate and course offerings at the skill center, and provide a laboratory space for local high school teachers to engage in professional development in the instruction of courses leading to student employment certification in the aerospace, manufacturing industries, or other high-skill programs as determined by the superintendent of public instruction or for professional development of such programs. The office of the superintendent of public instruction shall administer the grants in consultation with the center for excellence for aerospace and advanced materials manufacturing.

(15) $150,000 of the general fund—state appropriation for fiscal year 2016 and $150,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for annual start-up or expansion grants to high schools to implement or expand aerospace manufacturing programs, or other high-skill programs as determined by the superintendent of public instruction or for professional development of such programs. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(16) $5,000,000 of the general fund—state appropriation for fiscal year 2016 and $5,000,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the provision of training for teachers in the performance-based teacher principal evaluation program.

(17) $7,235,000 of the general fund—state appropriation for fiscal year 2016 and $9,352,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of chapter 159, Laws of 2013 (Engrossed Second Substitute Senate Bill No. 5329) (persistently failing schools).

(18) $100,000 of the general fund—state appropriation for fiscal year 2016 and $100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to promote the financial literacy of students. The effort will be coordinated through the financial literacy public-private partnership.

(19) $99,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the office of the superintendent of public instruction to implement a youth dropout prevention program that incorporates partnerships between community-based organizations, schools, food banks and farms or gardens. The office of the superintendent of public instruction shall select one school district that must partner with an organization that is operating an existing similar program and that also has the ability to serve at least 40 students. Of the amount appropriated in this subsection, up to $10,000 may be used by the office of the superintendent of public instruction for administration of the program.

(20) $2,194,000 of the general fund—state appropriation for fiscal year 2016 and $2,194,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to implement chapter 18, Laws of 2013 2nd sp. sess. (Engrossed Substitute Senate Bill No. 5946) (strengthening student educational outcomes).

(21) $856,000 of the general fund—state appropriation for fiscal year 2016 and $1,061,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for chapter 184, Laws of 2013 (Second Substitute House Bill No. 1642) (academic acceleration) and other activities proven to increase K-12 student enrollment in rigorous courses.

(22) $36,000 of the general fund—state appropriation for fiscal year 2016 and $36,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for chapter 212, Laws of 2014 (Substitute Senate Bill No. 6074) (homeless student educational outcomes).

(23) $80,000 of the general fund—state appropriation for fiscal year 2016 and $80,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for chapter 219, Laws of 2014 (Second Substitute Senate Bill No. 6163) (expanded learning).

(24) $15,000 of the general fund—state appropriation for fiscal year 2016 and $10,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for chapter 102, Laws of 2014 (Senate Bill No. 6424) (biliteracy seal).

(25) $500,000 of the general fund—state appropriation for fiscal year 2016 and $500,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction to contract with a nonprofit organization to integrate the state learning standards in English language arts, mathematics, and science with outdoor field studies and project-based and work-based learning opportunities aligned with the environmental, natural resource, and agricultural sectors.

(26) $1,392,000 of general fund—state appropriation for fiscal year 2016 is provided solely for professional development and coaching for state-funded high school mathematics and science teachers. Training shall be provided in the 2015-16 school year by the science and mathematics coordinators at each educational service district. The professional development shall include instructional strategies and curriculum-specific training to improve outcomes for the statewide high school mathematics assessment or the high school biology assessment. The professional development provided may be broken up into shorter timeframes over the course of more than one day, but the aggregate amount of professional development provided shall be one full work day.

(27) $205,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for grants to high schools that have an existing international baccalaureate program and enrollments of seventy percent or more students eligible for free or reduced-price meals in the prior school year to implement and sustain an international baccalaureate program.

(28) Within the amounts provided in this section, the superintendent of public instruction shall obtain an existing student assessment inventory tool that is free and openly licensed and distribute the tool to every school district. Each school district shall use the student assessment inventory tool to identify all state-level and district-level assessments that are required of students. The state-required assessments should include: Reading proficiency assessments used for compliance with RCW 28A.320.202; the required statewide assessments under chapter 28A.655 RCW in grades three through eight and at the high school level in English language arts, mathematics, and science, as well as the practice and training tests used to prepare for them; and the high school end-of-course exams in mathematics under RCW 28A.655.066. District-required assessments should include: The second grade reading assessment used to comply with RCW 28A.300.320; interim smarter balanced assessments, if required; the measures of academic progress assessment, if required; and other required interim, benchmark, or summative standardized assessments, including assessments used in social studies, the arts, health, and physical education in accordance with RCW 28A.230.095, and for educational technology in accordance with RCW 28A.655.075. The assessments identified should not include assessments used to determine eligibility for any categorical program including the transitional bilingual instruction program, learning assistance program, highly capable program, special education program, or any formative or diagnostic assessments used solely to inform teacher instructional practices, other than those already identified. By October 15, 2016, each district shall report to the superintendent the amount of student time that is spent taking each assessment identified. By December 15, 2016, the superintendent shall summarize the information reported by the school districts and report to the education committees of the house of representatives and the senate.

**Sec.**  2016 sp.s. c 36 s 512 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL BILINGUAL PROGRAMS**

General Fund—State Appropriation (FY 2016) $118,648,000

General Fund—State Appropriation (FY 2017) ((~~$124,751,000~~))

 $129,666,000

General Fund—Federal Appropriation $72,207,000

TOTAL APPROPRIATION ~~$315,606,000~~

 $320,521,000

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

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2)(a) For the 2015-16 and 2016-17 school years, the superintendent shall allocate funding to school districts for transitional bilingual programs under RCW 28A.180.010 through 28A.180.080, including programs for exited students, as provided in RCW 28A.150.260(10)(b) and the provisions of this section. In calculating the allocations, the superintendent shall assume the following averages: (i) Additional instruction of 4.7780 hours per week per transitional bilingual program student in grades kindergarten through twelve in school years 2015-16 and 2016-17; (ii) additional instruction of 3.0000 hours per week in school years 2015-16 and 2016-17 for the head count number of students who have exited the transitional bilingual instruction program within the previous two years based on their performance on the English proficiency assessment; (iii) fifteen transitional bilingual program students per teacher; (iv) 36 instructional weeks per year; (v) 900 instructional hours per teacher; and (vi) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act. Pursuant to RCW 28A.180.040(1)(g), the instructional hours specified in (a)(ii) of this subsection (2) are within the program of basic education.

(b) From July 1, 2015, to August 31, 2015, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in section 514, chapter 4, Laws of 2013, 2nd sp. sess., as amended.

(3) The superintendent may withhold allocations to school districts in subsection (2) of this section solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2) up to the following amounts: 2.40 percent for school year 2015-16 and 1.97 percent for school year 2016-17.

(4) The general fund—federal appropriation in this section is for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.

(5) $35,000 of the general fund—state appropriation for fiscal year 2016 and $35,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to track current and former transitional bilingual program students.

(6) $1,456,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the central provision of assessments pursuant to RCW 28A.180.090.

**Sec.**  2016 sp.s. c 36 s 513 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING ASSISTANCE PROGRAM**

General Fund—State Appropriation (FY 2016) $224,311,000

General Fund—State Appropriation (FY 2017) ((~~$228,865,000~~))

 $225,808,000

General Fund—Federal Appropriation $494,468,000

TOTAL APPROPRIATION ~~$947,644,000~~

 $944,587,000

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

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

(a) The appropriations include such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b)(i) For the 2015-16 and 2016-17 school years, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a), except that the allocation for the additional instructional hours shall be enhanced as provided in this section, which enhancements are within the program of the basic education. In calculating the allocations, the superintendent shall assume the following averages: (A) Additional instruction of 2.3975 hours per week per funded learning assistance program student for the 2015-16 school year and the 2016-17 school year; (B) fifteen learning assistance program students per teacher; (C) 36 instructional weeks per year; (D) 900 instructional hours per teacher; and (E) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(ii) From July 1, 2015, to August 31, 2015, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 4, Laws of 2013, 2nd sp. sess., as amended.

(c) A school district's funded students for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced-price lunch in the prior school year. The prior school year's October headcount enrollment for free and reduced-price lunch shall be as reported in the comprehensive education data and research system.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

(3) The general fund—federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

(4) A school district may carry over from one year to the next up to 10 percent of the general fund—state funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

(5) Within existing resources, during the 2015-16 and 2016-17 school years, school districts are authorized to use funds allocated for the learning assistance program to also provide assistance to high school students who have not passed the state assessment in science.

**Sec.**  2016 sp.s. c 36 s 514 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

(1) Amounts distributed to districts by the superintendent through part V of this act are for allocations purposes only, unless specified by part V of this act, and do not entitle a particular district, district employee, or student to a specific service, beyond what has been expressly provided in statute. Part V of this act restates the requirements of various sections of Title 28A RCW. If any conflict exists, the provisions of Title 28A RCW control unless this act explicitly states that it is providing an enhancement. Any amounts provided in part V of this act in excess of the amounts required by Title 28A RCW provided in statute, are not within the program of basic education unless clearly stated by this act.

(2) To the maximum extent practicable, when adopting new or revised rules or policies relating to the administration of allocations in part V of this act that result in fiscal impact, the office of the superintendent of public instruction shall attempt to seek legislative approval through the budget request process.

(3) Appropriations made in this act to the office of the superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act, except as expressly provided in subsection (4) of this section.

(4) The appropriations to the office of the superintendent of public instruction in this act shall be expended for the programs and amounts specified in this act. However, after May 1, ((~~2016~~)) 2017, unless specifically prohibited by this act and after approval by the director of financial management, the superintendent of public instruction may transfer state general fund appropriations for fiscal year ((~~2016~~)) 2017 among the following programs to meet the apportionment schedule for a specified formula in another of these programs: General apportionment; employee compensation adjustments; pupil transportation; special education programs; institutional education programs; transitional bilingual programs; highly capable; and learning assistance programs.

(5) The director of financial management shall notify the appropriate legislative fiscal committees in writing prior to approving any allotment modifications or transfers under this section.

(6) As required by RCW 28A.710.110 as amended by Engrossed Second Substitute Senate Bill No. 6194 (public schools other than common schools), the office of the superintendent of public instruction shall transmit the charter school authorizer oversight fee for the charter school commission to the charter school oversight account.

(7) State general fund appropriations distributed through Part V of this act for the operation and administration of charter schools as provided in chapter 28A.710 RCW shall not include state common school levy revenues collected under RCW 84.52.065.

**Sec.**  2016 sp.s. c 36 s 516 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR CHARTER SCHOOLS**

Washington Opportunity Pathways Account—State

Appropriation ((~~$10,159,000~~))

 $10,527,000

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

(1) The superintendent shall distribute funding appropriated in this section to charter schools under chapter 28A.710 RCW as amended by Engrossed Second Substitute Senate Bill No. 6194 (public schools other than common schools).

(2) Within amounts provided in this section the superintendent shall distribute funding for safety net awards for charter schools with demonstrated needs for special education funding beyond the amounts provided under chapter 28A.710 RCW.

**Sec.**  2016 sp.s. c 36 s 517 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE CHARTER SCHOOL COMMISSION**

General Fund—State Appropriation (FY 2016) $497,000

Washington Opportunity Pathways Account—State

Appropriation $546,000

Charter Schools Oversight Account—State Appropriation $400,000

TOTAL APPROPRIATION $1,443,000

The appropriations in this section are subject to the following conditions and limitations: The entire Washington opportunity pathways account—state appropriation in this section is provided ((~~to the superintendent of public instruction~~)) solely for the operations of the Washington state charter school commission under chapter 28A.710 RCW as amended by Engrossed Second Substitute Senate Bill No. 6194 (public schools other than common schools).

**PART XVI**

**HIGHER EDUCATION**

**Sec.**  2016 sp.s. c 36 s 602 (uncodified) is amended to read as follows:

**FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

General Fund—State Appropriation (FY 2016) $625,251,000

General Fund—State Appropriation (FY 2017) ((~~$666,835,000~~))

 $667,464,000

Community/Technical College Capital Projects

Account—State Appropriation $17,548,000

Education Construction Account—State Appropriation $7,109,000

Education Legacy Trust Account—State

Appropriation $96,422,000

TOTAL APPROPRIATION ~~$1,413,165,000~~

 $1,413,794,000

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

(1) $33,261,000 of the general fund—state appropriation for fiscal year 2016 and $33,261,000 of the general fund—state appropriation for fiscal year 2017 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 2016 and at least 7,170 full-time equivalent students in fiscal year 2017.

(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 2016 and $425,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for Seattle central college's expansion of allied health programs.

(4)(a) $17,058,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$17,506,000~~)) $18,135,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse. For the 2016-17 academic year, if the total full-time equivalent annual average resident undergraduate enrollment for all community and technical colleges, excluding applied baccalaureate degrees as defined in RCW 28B.50.030, increases by more than one percent from the 2015-16 academic year, for purposes of calculating state funding for the tuition reduction backfill, only a one percent growth rate or all community and technical colleges' total preceding five-year average percentage full-time equivalent enrollment change, excluding applied baccalaureate degrees as defined in RCW 28B.50.030, whichever is greater, may be used in calculating the backfill.

(b) For the 2016-17 academic year, if the total full-time equivalent annual average resident undergraduate enrollment for applied baccalaureate degrees as defined in RCW 28B.50.030 for all community and technical colleges increases by more than one percent from the 2015-16 academic year, for purposes of calculating state funding for the tuition reduction backfill, only a one percent growth rate or all community and technical colleges' total preceding five- year average percentage full-time equivalent enrollment change for applied baccalaureate degrees as defined in RCW 28B.50.030, whichever is greater, may be used in calculating the backfill.

(5) $5,250,000 of the general fund—state appropriation for fiscal year 2016 and $5,250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the student achievement initiative.

(6) $410,000 of the general fund—state appropriation for fiscal year 2016, and $860,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the expansion of the mathematics, engineering, and science achievement program. The state board shall report back to the appropriate committees of the legislature on the number of campuses and students served by December 31, 2018.

(7) $750,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for Bellevue college to develop a baccalaureate of science degree in computer science. Subject to approval by the state board for community and technical colleges, in fiscal year 2016 Bellevue college shall develop a baccalaureate of science degree in computer science. This degree must be directed at high school graduates who may enroll directly as freshmen and transfer-oriented degree and professional and technical degree holders. Bellevue college will develop a plan for offering this new degree by no later than fall quarter 2016. With the exception of the amounts provided in this subsection, the plan must assume funding for this new degree will come through redistribution of the college's current per full-time enrollment funding. The plan shall be delivered to the state board by June 30, 2016.

(8) Pursuant to aerospace industry appropriations (chapter 1, Laws of 2013 3rd sp. sess.), $1,080,000 of the general fund—state appropriation for fiscal year 2016 and $1,500,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for operating a fabrication composite wing incumbent worker training program to be housed at the Washington aerospace training and research center.

(9) $150,000 of the general fund—state appropriation for fiscal year 2016 and $150,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the state board ((~~to conduct a feasibility study for a potential new community and technical college in~~)) for program delivery through Pierce college in conjunction with the Bethel school district for the Graham, Washington area.

(10) $100,000 of the general fund—state appropriation for fiscal year 2016 and $100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the aerospace center of excellence currently hosted by Everett community college to:

(a) Increase statewide communications and outreach between industry sectors, industry organizations, businesses, K-12 schools, colleges, and universities;

(b) Enhance information technology to increase business and student accessibility and use of the center's web site; and

(c) Act as the information entry point for prospective students and job seekers regarding education, training, and employment in the industry.

(11) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct individuals to online information and other ways of acquiring print catalogs.

(12) The state board for community and technical colleges shall not use funds appropriated in this section to support intercollegiate athletics programs.

(13)(a) The state board must provide quality assurance reports on the ctcLink project at the frequency directed by the office of chief information officer for review and for posting on its information technology project dashboard.

(b) The state board must develop a technology budget using a method similar to the state capital budget, identifying project costs, funding sources, and anticipated deliverables through each stage of the investment and across fiscal periods and biennia from project initiation to implementation. The budget must be updated at the frequency directed by the office of chief information officer for review and for posting on its information technology project dashboard.

(c) The state board must contract with an independent verification and validation consultant to review the software that currently exists to determine if configuration and integrations are complete and to evaluate readiness to move forward with the ctcLink project. The state board must define the consultant's scope of work in conjunction with the office of chief information officer and allow for independent reporting by the consultant to the office of chief information officer.

(d) The office of the chief information officer may suspend the ctcLink project at any time if the office of the chief information officer determines that the project is not meeting or is not expected to meet anticipated performance measures, implementation timelines, or budget estimates. Once suspension or termination occurs, the state board shall not make additional expenditures on the ctcLink project without approval of the chief information officer.

(14) $750,000 of the general fund—state appropriation for fiscal year 2016 and $2,250,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for Bellingham Technical College to administer on-site worker training and skill enhancement training for employees of trade-impacted industrial facilities pursuant to trade adjustment assistance decision 64764.

(15) $157,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for Wenatchee Valley college to develop a wildfire prevention program.

**Sec.**  2016 sp.s. c 36 s 603 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**

General Fund—State Appropriation (FY 2016) $279,934,000

General Fund—State Appropriation (FY 2017) ((~~$317,254,000~~))

 $317,739,000

Education Legacy Trust Account—State Appropriation $28,088,000

Economic Development Strategic Reserve Account—

State Appropriation $3,011,000

Biotoxin Account—State Appropriation $492,000

Accident Account—State Appropriation $7,129,000

Medical Aid Account—State Appropriation $6,749,000

Aquatic Land Enhancement Account—State Appropriation $1,550,000

Dedicated Marijuana Account—State Appropriation

(FY 2016) $227,000

Dedicated Marijuana Account—State Appropriation

(FY 2017) $227,000

TOTAL APPROPRIATION ~~$644,661,000~~

 $645,146,000

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

(1) $52,000 of the general fund—state appropriation for fiscal year 2016 and $52,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the center for international trade in forest products in the college of forest resources.

(2) $200,000 of the general fund—state appropriation for fiscal year 2016 and $200,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for labor archives of Washington. The university shall work in collaboration with the state board for community and technical colleges.

(3) $8,000,000 of the education legacy trust account—state appropriation is provided solely for the family medicine residency network at the university to expand the number of residency slots available in Washington.

(4) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(5) $1,550,000 of the aquatic lands enhancement account—state is provided solely for ocean acidification monitoring, forecasting, and research and for operation of the Washington ocean acidification center. By September 1, 2015, the center must provide a biennial work plan and begin quarterly progress reports to the Washington marine resources advisory council created under RCW 43.06.338.

(6) $6,000,000 of the education legacy trust account—state appropriation is provided solely for the expansion of degrees in the department of computer science and engineering at the Seattle campus.

(7) $10,429,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$37,155,000~~)) $37,640,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse. For the 2016-17 academic year, if the university's full-time equivalent annual average resident undergraduate enrollment increases by more than one percent from the 2015-16 academic year, for purposes of calculating state funding for the tuition reduction backfill, only a one percent growth rate or the university's preceding five-year average percentage full-time equivalent enrollment change, whichever is greater, may be used in calculating the backfill.

(8) $3,000,000 of the economic development strategic reserve account appropriation is provided solely to support the joint center for aerospace innovation technology.

(9) The University of Washington shall not use funds appropriated in this section to support intercollegiate athletics programs.

(10) $250,000 of the general fund—state appropriation for fiscal year 2016 and $250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the latino health center.

(11) $200,000 of the general fund—state appropriation for fiscal year 2016 and $200,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the climate impacts group in the college of the environment.

(12) To the extent federal or private funding is available for this purpose, the center for education data and research at the University of Washington shall examine the relationship between participation in pension systems and teacher quality and mobility patterns in the state, including changes in the patterns that have occurred since the 2009-2011 fiscal biennium. The department of retirement systems shall facilitate University of Washington researchers' access to necessary individual-level data necessary to effectively conduct the study. The University of Washington shall ensure that no individually identifiable information will be disclosed at any time. An interim report on project findings must be completed by November 15, 2015, and a final report must be submitted to the governor and to the relevant committees of the legislature by October 15, 2016.

(13) $3,600,000 of the general fund—state appropriation for fiscal year 2016 and $5,400,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the continued operations of the Washington, Wyoming, Alaska, Montana, Idaho medical school program.

(14) Within the amounts provided in this section, the university must determine the feasibility of establishing inter-agency agreements with the department of corrections and the special commitment center within the department of social and health services to provide each entity with discount pricing on prescription hepatitis C medications or other prescription medications as allowed under section 340B of the public health services act. By January 1, 2016, the university must submit a report to the relevant policy and fiscal committees of the legislature that includes the following:

(a) Description of the steps required to achieve institutional cooperation on 340B pricing;

(b) Identification of barriers to achieving such an agreement;

(c) Where possible, possible solutions to overcoming these barriers;

(d) Estimates of the fiscal impact of this agreement in the 2015-2017 and 2017-2019 fiscal biennia; and

(e) Timeline for implementation of such an agreement.

The inter-agency agreements must be in place prior to July 1, 2016, and the agreements must not jeopardize the University of Washington's current compliance status with 340B program rules and regulations.

(15) Within the funds appropriated in this section, the University of Washington shall:

(a) Review the scholarly literature on the short-term and long-term effects of marijuana use to assess if other states or private entities are conducting marijuana research in areas that may be useful to the state.

(b) Provide as part of its budget request for the 2017-2019 biennium:

(i) A list of intended state, federal, and privately funded marijuana research, including cost, duration, and scope;

(ii) Plans for partnerships with other universities, state agencies, or private entities, including entities outside the state, for purposes related to researching short-term and long-term effects of marijuana use.

(16) $18,000 of the general fund—state appropriation for fiscal year 2016 and $18,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to implement Substitute Senate Bill No. 6519 (telemedicine). If the bill is not enacted by June 30, 2016, the amounts provided in this subsection shall lapse.

(17) $25,000 of the general fund—state appropriation for fiscal year 2016 and $25,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of House Bill No. 1138 (higher education mental health).

**Sec.**  2016 sp.s. c 36 s 604 (uncodified) is amended to read as follows:

**FOR WASHINGTON STATE UNIVERSITY**

General Fund—State Appropriation (FY 2016) $181,494,000

General Fund—State Appropriation (FY 2017) ((~~$207,738,000~~))

 $207,426,000

Education Legacy Trust Account—State Appropriation $33,995,000

Dedicated Marijuana Account—State Appropriation (FY 2016) $138,000

Dedicated Marijuana Account—State Appropriation (FY 2017) $138,000

TOTAL APPROPRIATION ~~$423,503,000~~

 $423,191,000

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

(1) $90,000 of the general fund—state appropriation for fiscal year 2016 and $90,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a rural economic development and outreach coordinator.

(2) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(3) $1,000,000 of the general fund—state appropriation for fiscal 2016 and $630,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the creation of an electrical engineering program located in Bremerton. At full implementation, the university is expected to increase degree production by 25 new bachelor's degrees per year. The university must identify these students separately when providing data to the education research data center as required in subsection (2) of this section.

(4) $1,000,000 of the general fund—state appropriation for fiscal year 2016 and $1,370,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the creation of software engineering and data analytic programs at the university center in Everett. At full implementation, the university is expected to enroll 50 students per academic year. The university must identify these students separately when providing data to the education research data center as required in subsection (2) of this section.

(5) $500,000 of the general fund—state appropriation for fiscal year 2016 and $500,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for state match requirements related to the federal aviation administration grant.

(6) Washington State University shall not use funds appropriated in this section to support intercollegiate athletic programs.

(7) $8,980,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$27,068,000~~)) $26,756,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse. For the 2016-17 academic year, if the university's full-time equivalent annual average resident undergraduate enrollment increases by more than one percent from the 2015-16 academic year, for purposes of calculating state funding for the tuition reduction backfill, only a one percent growth rate or the university's preceding five-year average percentage full-time equivalent enrollment change, whichever is greater, may be used in calculating the backfill.

(8) $1,098,000 of the general fund—state appropriation for fiscal year 2016 and $1,402,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for development of a medical school in Spokane. Funding must support the development of the curriculum, the courses, the faculty, and the administrative structure required by the liaison committee on medical education.

(9) Within the funds appropriated in this section, Washington State University is required to provide administrative support to the sustainable aviation biofuels work group authorized under RCW 28B.30.904.

(10) Within the funds appropriated in this section, Washington State University shall:

(a) Review the scholarly literature on the short-term and long-term effects of marijuana use to assess if other states or private entities are conducting marijuana research in areas that may be useful to the state.

(b) Provide as part of its budget request for the 2017-2019 biennium:

(i) A list of intended state, federal, and privately funded marijuana research, including cost, duration, and scope;

(ii) Plans for partnerships with other universities, state agencies, or private entities, including entities outside the state, for purposes related to researching short-term and long-term effects of marijuana use.

(11) $135,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for a honey bee biology research position.

(12) $580,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the development of an organic agriculture systems degree program located at the university center in Everett.

**Sec.**  2016 sp.s. c 36 s 605 (uncodified) is amended to read as follows:

**FOR EASTERN WASHINGTON UNIVERSITY**

General Fund—State Appropriation (FY 2016) $38,689,000

General Fund—State Appropriation (FY 2017) ((~~$48,098,000~~))

 $48,011,000

Education Legacy Trust Account—State

Appropriation $16,718,000

TOTAL APPROPRIATION ~~$103,505,000~~

 $103,418,000

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

(1) At least $200,000 of the general fund—state appropriation for fiscal year 2016 and at least $200,000 of the general fund—state appropriation for fiscal year 2017 must be expended on the Northwest autism center.

(2) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(3) Eastern Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

(4) $750,000 of the general fund—state appropriation for fiscal year 2016 and $750,000 of the general fund—state appropriation are provided solely for student success and advising programs that lead to increased degree completion.

(5) $2,425,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$9,698,000~~)) $9,611,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse. For the 2016-17 academic year, if the university's full-time equivalent annual average resident undergraduate enrollment increases by more than one percent from the 2015-16 academic year, for purposes of calculating state funding for the tuition reduction backfill, only a one percent growth rate or the university's preceding five-year average percentage full-time equivalent enrollment change, whichever is greater, may be used in calculating the backfill.

**Sec.**  2016 sp.s. c 36 s 606 (uncodified) is amended to read as follows:

**FOR CENTRAL WASHINGTON UNIVERSITY**

General Fund—State Appropriation (FY 2016) $36,958,000

General Fund—State Appropriation (FY 2017) ((~~$47,578,000~~))

 $47,585,000

Education Legacy Trust Account—State Appropriation $19,140,000

TOTAL APPROPRIATION ~~$103,676,000~~

 $103,683,000

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) $750,000 of the general fund—state appropriation for fiscal year 2016 and $750,000 of the general fund—state appropriation are provided solely for student success and advising programs that lead to increased degree completion.

(4) $2,739,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$10,826,000~~)) $10,833,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse. For the 2016-17 academic year, if the university's full-time equivalent annual average resident undergraduate enrollment increases by more than one percent from the 2015-16 academic year, for purposes of calculating state funding for the tuition reduction backfill, only a one percent growth rate or the university's preceding five-year average percentage full-time equivalent enrollment change, whichever is greater, may be used in calculating the backfill.

**Sec.**  2016 sp.s. c 36 s 607 (uncodified) is amended to read as follows:

**FOR THE EVERGREEN STATE COLLEGE**

General Fund—State Appropriation (FY 2016) $22,068,000

General Fund—State Appropriation (FY 2017) ((~~$25,441,000~~))

 $25,409,000

Education Legacy Trust Account—State Appropriation $5,493,000

TOTAL APPROPRIATION ~~$53,002,000~~

 $52,970,000

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 2016 and $55,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of chapter 244, Laws of 2015 (college bound).

(2) $39,000 of the general fund—state appropriation for fiscal year 2016 and $32,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Engrossed Second Substitute House Bill No. 1491 (early care & education system). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.

(3) $837,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$3,327,000~~)) $3,295,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse. For the 2016-17 academic year, if the college's full-time equivalent annual average resident undergraduate enrollment increases by more than one percent from the 2015-16 academic year, for purposes of calculating state funding for the tuition reduction backfill, only a one percent growth rate or the college's preceding five-year average percentage full-time equivalent enrollment change, whichever is greater, may be used in calculating the backfill.

(4) $40,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the tuition metric study in Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.

(5) $121,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for implementation of section 15 of chapter 269, Laws of 2015 (mental health/involuntary outpatient). If the bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.

(6) $295,000 of the general fund—state appropriation for fiscal year 2016 and $295,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington state institute of public policy to contract with an objective, non-partisan, nationally known organization to examine policy options for increasing the availability of primary care services in rural Washington.

(7) $750,000 of the general fund—state appropriation for fiscal year 2016 and $750,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for student success and advising programs that lead to increased degree completion.

(8) Funding provided in this section is sufficient for The Evergreen State College to continue operations of the Longhouse Center and the Northwest Indian applied research institute.

(9) $50,000 of the general fund—state appropriation for fiscal year 2016 and $50,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington state institute for public policy to review existing research literature and begin a four-year study to evaluate outcomes regarding the cost effectiveness of FDA approved long-acting injectable medications that are indicated for the treatment of alcohol and opiate dependence. Any outcome evaluation will be focused on potential benefits to prison offenders being released into the community and the effects on recidivism. The institute shall submit a report summarizing cost-effectiveness findings from the existing research literature to the appropriate committees of the legislature by December 31, 2016.

(10) Notwithstanding other provisions in this section, the board of directors for the Washington state institute for public policy may adjust due dates for projects included on the institute's 2015-2017 work plan as necessary to efficiently manage workload.

(11) The Evergreen State College shall not use funds appropriated in this section to support intercollegiate athletics programs.

(12) $48,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Second Substitute House Bill No. 2449 (truancy reduction). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(13) $32,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Second Substitute House Bill No. 2791 (Washington statewide reentry council). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(14) $16,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 6455 (professional educator workforce). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(15) $26,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Engrossed Senate Bill No. 6620 (school safety). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(16) $30,000 of the general fund—state appropriation for fiscal year 2016 and $120,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington state institute for public policy to evaluate and report to the appropriate legislative committees on the impact and cost effectiveness of the hub home model, a model for foster care delivery. The institute shall use the most appropriate available methods to evaluate the model's impact on child safety, permanency, placement stability and, if possible, sibling connections, culturally relevant care, and caregiver retention. The report shall include an analysis of whether the model yields long-term cost savings in comparison with traditional foster care. The department of social and health services children's administration shall facilitate provision of the data necessary to conduct the evaluation. The institute shall submit an interim report by January 15, 2017, and a final report by June 30, 2017. The institute may receive additional funds from a private organization for the purpose of the evaluation.

**Sec.**  2016 sp.s. c 36 s 608 (uncodified) is amended to read as follows:

**FOR WESTERN WASHINGTON UNIVERSITY**

General Fund—State Appropriation (FY 2016) $53,447,000

General Fund—State Appropriation (FY 2017) ((~~$67,091,000~~))

 $67,224,000

Education Legacy Trust Account—State

Appropriation $13,737,000

TOTAL APPROPRIATION ~~$134,275,000~~

 $134,408,000

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

(1) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(2) $910,000 of the general fund—state appropriation for fiscal year 2016 and $630,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the creation of a computer and information systems security program located at Olympic college - Poulsbo. The university is expected to enroll 30 students each academic year beginning in fiscal year 2017. The university must identify these students separately when providing data to the educational data centers as required in (1) of this section.

(3) Western Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

(4) $3,726,000 of the general fund—state appropriation for fiscal year 2016 and ((~~$14,819,000~~)) $14,952,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse. For the 2016-17 academic year, if the university's full-time equivalent annual average resident undergraduate enrollment increases by more than one percent from the 2015-16 academic year, for purposes of calculating state funding for the tuition reduction backfill, only a one percent growth rate or the university's preceding five-year average percentage full-time equivalent enrollment change, whichever is greater, may be used in calculating the backfill.

(5) $250,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the endowment of the Jaffee professorship in Jewish history and holocaust studies.

**Sec.**  2016 sp.s. c 36 s 609 (uncodified) is amended to read as follows:

**FOR THE STUDENT ACHIEVEMENT COUNCIL—POLICY COORDINATION AND ADMINISTRATION**

General Fund—State Appropriation (FY 2016) $5,515,000

General Fund—State Appropriation (FY 2017) ((~~$6,217,000~~))

 $6,289,000

General Fund—Federal Appropriation $4,859,000

TOTAL APPROPRIATION ~~$16,591,000~~

 $16,663,000

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

(1) $182,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the student achievement council, the workforce training and education coordinating board, and the department of licensing to work together to design and oversee a study, to be administered by the council, that objectively analyzes and makes recommendations about systemic overlaps and gaps in jurisdiction regarding for-profit degree-granting institutions and private vocational schools in the state. The council may contract with a neutral third-party research organization to conduct the study. The study must be conducted in two phases, starting with an assessment of perspectives and relevant studies. A second phase, if deemed appropriate by the council, the workforce training and education coordinating board, and other stakeholders, may consist of facilitated discussions amongst agencies, regulated entities, and stakeholders to reach agreed-upon recommendations.

(a) The study must include recommendations to improve oversight and accountability of these institutions and schools and a review of whether, and how, different standards are applied to the institutions and schools by different agencies. Specifically, the study must:

(i) Examine the data collection and reporting practices of for-profit degree-granting institutions and private vocational schools compared to the data collection and reporting of the community and technical colleges. The study must determine if there are inconsistencies and discrepancies in the practices of the for-profit degree-granting institutions and private vocational schools. The study must also make recommendations on the methods of collecting, analyzing, and reporting data, including what measurements to use, to ensure that data from for-profit degree-granting institutions and private vocational schools can be accurately compared to data from the community and technical colleges;

(ii) Study the current regulations governing these institutions and schools and recommend necessary changes to achieve consistent regulatory oversight of the entire system;

(iii) Recommend ways to implement a cohesive method for guiding and assisting current and prospective students who have questions and concerns; and

(iv) Review whether an ombuds position serving students of for-profit degree-granting institutions and private vocational schools should be created. If the recommendation is to create an ombuds position, the study must make a recommendation on which state entity should house the position.

(b) The assessment phase of the study may begin July 1, 2016. The council must issue a final report, including the result of any facilitated agreed-upon recommendations, to the appropriate committees of the legislature by January 1, 2017.

(2) $25,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to implement Second Engrossed Substitute Senate Bill No. 6601 (Washington college savings program). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse.

(3) $250,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the council to complete a higher education needs assessment for southeast King county, and to prepare a program and operating plan to meet the higher education needs identified in the assessment. The needs assessment shall consider population changes, higher education participation rates, economic demand and work force needs, commute times for study area residents to existing higher education institutions, and any other items identified by the council. In completing the needs assessment and plan, the council shall consider the factors outlined in RCW 28B.77.080, enrollment trends in the study area, employer needs, existing and needed postsecondary programs, recommended strategies for promoting program participation, an estimated cost to meet the assessed need, and potential location sites. In preparing a program and operating plan, the council shall consider a variety of higher education options including, but not limited to, a branch campus, a university center, a private university, and an online learning center. The needs assessment and plan must be developed in consultation with an advisory committee of civic, business, and education leaders from southeast King county. The council shall provide a preliminary report to the appropriate committees of the legislature and the governor by November 1, 2016, and a final report by January 1, 2017. The council may contract with a consultant to complete this study.

**Sec.**  2016 sp.s. c 36 s 610 (uncodified) is amended to read as follows:

**FOR THE STUDENT ACHIEVEMENT COUNCIL—OFFICE OF STUDENT FINANCIAL ASSISTANCE**

General Fund—State Appropriation (FY 2016) $265,978,000

General Fund—State Appropriation (FY 2017) $234,444,000

General Fund—Federal Appropriation $11,801,000

General Fund—Private/Local Appropriation $300,000

Aerospace Training Student Loan Account—State

Appropriation (FY 2017) $104,000

Washington Opportunity Expansion Account—State

Appropriation $6,000,000

Education Legacy Trust Account—State Appropriation $40,671,000

Health Professional Loan Repayment Scholarship

Program Account—State Appropriation $1,720,000

Washington Opportunity Pathways Account—State

Appropriation (FY 2016) $95,061,000

Washington Opportunity Pathways Account—State

Appropriation (FY 2017) ((~~$78,469,000~~))

 $77,260,000

TOTAL APPROPRIATION ~~$734,548,000~~

 $733,339,000

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

(1) $235,217,000 of the general fund—state appropriation for fiscal year 2016, $201,760,000 of the general fund—state appropriation for fiscal year 2017, $26,000,000 of the education legacy trust account—state appropriation, $77,500,000 of the Washington opportunity pathways account—state appropriation for fiscal year 2016, and $67,500,000 of the Washington opportunity pathways account—state appropriation for fiscal year 2017 are provided solely for student financial aid payments under the state need grant, implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program), and state work study programs including up to four percent administrative allowance for the state work study program.

(2) Changes made to the state need grant program in the 2011-2013 fiscal biennium are continued in the 2015-2017 fiscal biennium. For the 2015-2017 fiscal biennium, awards given to private institutions shall be the same amount as the prior year.

(3) Changes made to the state work study program in the 2009-2011 and 2011-2013 fiscal biennia are continued in the 2015-2017 fiscal biennium including maintaining the increased required employer share of wages; adjusted employer match rates; discontinuation of nonresident student eligibility for the program; and revising distribution methods to institutions by taking into consideration other factors such as off-campus job development, historical utilization trends, and student need.

(4) Within the funds appropriated in this section, eligibility for the state need grant includes students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size, and shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(5) Of the amounts provided in subsection (1) of this section, $100,000 of the general fund—state appropriation for fiscal year 2016 and $100,000 of the general fund—state appropriation for fiscal year 2017 are provided for the council to process an alternative financial aid application system pursuant to RCW 28B.92.010.

(6)(a) Students who are eligible for the college bound scholarship shall be given priority for the state need grant program. These eligible college bound students whose family incomes are in the 0-65 percent median family income ranges must be awarded the maximum state need grant for which they are eligible under state policies and may not be denied maximum state need grant funding due to institutional policies or delayed awarding of college bound scholarship students. The council shall provide directions to institutions to maximize the number of college bound scholarship students receiving the maximum state need grant for which they are eligible with a goal of 100 percent coordination. Institutions shall identify all college bound scholarship students to receive state need grant priority. If an institution is unable to identify all college bound scholarship students at the time of initial state aid packaging, the institution should reserve state need grant funding sufficient to cover the projected enrollments of college bound scholarship students.

(b) In calculating the college bound award, public institutions of higher education are subject to the conditions and limitations in RCW 28B.15.102 and shall not utilize college bound funds to offset tuition costs from rate increases in excess of levels authorized in section 603, chapter 50, Laws of 2011.

(7) $14,670,000 of the education legacy trust account—state appropriation, $17,561,000 of the Washington opportunity pathways account—state appropriation for fiscal year 2016, and ((~~$10,969,000~~)) $9,760,000 of the Washington opportunity pathways account—state appropriation for fiscal year 2017 are provided solely for the college bound scholarship program, implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program), and may support scholarships for summer session.

(8) $2,236,000 of the general fund—state appropriation for fiscal year 2016 and $2,236,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the passport to college program. The maximum scholarship award is up to $5,000. The board shall contract with a nonprofit organization to provide support services to increase student completion in their postsecondary program and shall, under this contract, provide a minimum of $500,000 in fiscal years 2016 and 2017 for this purpose.

(9) $20,000,000 of the general fund—state appropriation for fiscal year 2016 and $21,000,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to meet state match requirements associated with the opportunity scholarship program. The legislature will evaluate subsequent appropriations to the opportunity scholarship program based on the extent that additional private contributions are made, program spending patterns, and fund balance.

(10) $3,825,000 of the general fund—state appropriation for fiscal year 2016 and $3,825,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for expenditure into the health professionals loan repayment and scholarship program account. These amounts and $1,720,000 appropriated from the health professionals loan repayment and scholarship program account must be used to increase the number of licensed primary care health professionals to serve in licensed primary care health professional critical shortage areas. The office of student financial assistance and the department of health shall prioritize a portion of any nonfederal balances in the health professional loan repayment and scholarship fund for conditional loan repayment contracts with psychiatrists and with advanced registered nurse practitioners for work at one of the state-operated psychiatric hospitals. The office and department shall designate the state hospitals as health professional shortage areas if necessary for this purpose. The office shall coordinate with the department of social and health services to effectively incorporate three conditional loan repayments into the department's advanced psychiatric professional recruitment and retention strategies. The office may use these targeted amounts for other program participants should there be any remaining amounts after eligible psychiatrists and advanced registered nurse practitioners have been served. The office shall also work to prioritize loan repayments to professionals working at health care delivery sites that demonstrate a commitment to serving uninsured clients.

(11) $56,000 of the general fund—state appropriation for fiscal year 2016 and $42,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the council to design and implement a program that provides customized information to high-achieving (as determined by local school districts), low-income, high school students. "Low-income" means students who are from low-income families as defined by the education data center in RCW 43.41.400. For the purposes of designing, developing, and implementing the program, the council shall partner with a national entity that offers aptitude tests and shall consult with institutions of higher education with a physical location in Washington. The council shall implement the program no later than fall 2016, giving consideration to spring mailings in order to capture early action decisions offered by institutions of higher education and nonprofit baccalaureate degree-granting institutions. The information packet for students must include at a minimum:

(a) Materials that help students to choose colleges;

(b) An application guidance booklet;

(c) Application fee waivers, if available, for four-year institutions of higher education and independent nonprofit baccalaureate degree-granting institutions in the state that enable students receiving a packet to apply without paying application fees;

(d) Information on college affordability and financial aid that includes information on the net cost of attendance for each four-year institution of higher education and each nonprofit baccalaureate degree-granting institution, and information on merit and need-based aid from federal, state, and institutional sources; and

(e) A personally addressed cover letter signed by the governor and the president of each four-year institution of higher education and nonprofit baccalaureate degree-granting institution in the state.

(12) $6,000,000 of the opportunity expansion account—state appropriation is provided solely for the opportunity expansion program in RCW 28B.145.060. At the direction of the opportunity scholarship board, the council must distribute the funding provided in this subsection to institutions of higher education to increase the number of baccalaureate degrees produced in high employer demand and other programs of study.

(13) $1,144,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 6455 (professional educator workforce). If the bill is not enacted by June 30, 2016, the amount provided in this subsection shall lapse. Of the amount provided in this subsection:

(a) $468,000 is for the teacher shortage conditional grant program;

(b) $468,000 is for the student teaching residency grant program; and

(c) $208,000 is for the development and implementation of the teacher shortage conditional grant program and the student teaching residency grant program.

(14) The council shall examine issues related to college bound scholarship students who become income ineligible for the college bound scholarship program but maintain eligibility for the state need grant and shall report to the governor and appropriate committees of the legislature by December 1, 2016, with any recommendations.

**Sec.**  2016 sp.s. c 36 s 611 (uncodified) is amended to read as follows:

**FOR THE WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD**

General Fund—State Appropriation (FY 2016) $1,648,000

General Fund—State Appropriation (FY 2017) ((~~$1,744,000~~))

 $1,752,000

General Fund—Federal Appropriation $55,143,000

General Fund—Private/Local Appropriation $72,000

TOTAL APPROPRIATION ~~$58,607,000~~

 $58,615,000

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

(1) For the 2015-2017 fiscal biennium the board shall not designate recipients of the Washington award for vocational excellence or recognize them at award ceremonies as provided in RCW 28C.04.535.

(2) The health workforce council of the state workforce training and education coordinating board, in partnership with work underway with the office of the governor, shall, within resources available for such purpose, but not to exceed $250,000, assess workforce shortages across behavioral health disciplines. The board shall create a recommended action plan to address behavioral health workforce shortages and to meet the increased demand for services now, and with the integration of behavioral health and primary care in 2020. The analysis and recommended action plan shall align with the recommendations of the adult behavioral health system task force and related work of the healthier Washington initiative. The board shall consider workforce data, gaps, distribution, pipeline, development, and infrastructure, including innovative high school, postsecondary, and postgraduate programs to evolve, align, and respond accordingly to our state's behavioral health and related and integrated primary care workforce needs. The board will submit preliminary recommendations to the governor and appropriate committees of the legislature by October 15, 2016. The board will continue its work and submit final recommendations in 2017.

(3) $75,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the workforce training and education coordinating board to develop a plan for a career and college ready lighthouse program that is representative of the different geographies and industries throughout the state. The plan must provide students the opportunity to: Explore and understand career opportunities through applied learning; engage with industry mentors; and, plan for career and college success. Additionally, the plan must include: Work-integrated and career-related strategies that increase college and career readiness of the students statewide; specify where and how the board will utilize mentor school districts; and identify the needs of districts to provide career and college ready opportunities. The board must convene an advisory committee to provide assistance with the development of the plan. The advisory committee must comprise: Individuals from the public and private sector with expertise in career and technical education and work-integrated training; school counselors; representatives of labor unions; representatives from professional technical organizations; representatives from career and technical colleges; and individuals from business and industry. The board shall submit its plan to the education committees of the legislature by January 1, 2017.

**Sec.**  2016 sp.s. c 36 s 612 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF EARLY LEARNING**

General Fund—State Appropriation (FY 2016) $89,572,000

General Fund—State Appropriation (FY 2017) ((~~$103,823,000~~))

 $101,494,000

General Fund—Federal Appropriation $299,956,000

Opportunity Pathways Account—State Appropriation $80,000,000

Education Legacy Trust Account—State Appropriation $28,250,000

Home Visiting Services Account—State Appropriation $4,868,000

Home Visiting Services Account—Federal Appropriation $25,250,000

TOTAL APPROPRIATION ~~$624,725,000~~

 $629,390,000

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

(1) $44,800,000 of the general fund—state appropriation for fiscal year 2016, $44,800,000 of the general fund—state appropriation for fiscal year 2017, $24,250,000 of the education legacy trust account—state appropriation, and $80,000,000 of the opportunity pathways account appropriation are provided solely for the early childhood education and assistance program. These amounts shall support at least 11,691 slots in fiscal year 2016 and 11,691 slots in fiscal year 2017. Of these amounts, $10,284,000 is a portion of the biennial amount of state maintenance of effort dollars required to receive federal child care and development fund grant dollars.

(2) $200,000 of the general fund—state appropriation for fiscal year 2016 and $200,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(3) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to the department of social and health services to fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

(4) $1,434,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for expenditure into the home visiting services account. This funding is intended to meet federal maintenance of effort requirements and to secure private matching funds. Additional amounts are provided separately in part II of this act. The division of behavioral health and recovery must transfer these amounts into the home visiting services account.

(5)((~~(a)~~)) $153,244,000 of the general fund—federal appropriation is provided solely for the working connections child care program under RCW 43.215.135. In order to not exceed the appropriated amount, a wait list for the working connections child care program shall be implemented if enrollment reaches 33,000 households. Once the wait list is in effect, and only as space or funding becomes available, enrollment in the program shall be prioritized according to the following order:

(a) Families applying for or receiving temporary assistance for needy families (TANF);

(b) TANF families curing sanction;

(c) Families that include a child with special needs;

(d) Families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center; and

(e) All other eligible families.

((~~(b) In addition to groups that were given prioritized access to the working connections child care program effective March 1, 2011, the department shall also give prioritized access into the program to families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center.~~))

(6) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report enrollments and active caseload for the working connections child care program to the legislative fiscal committees and the legislative-executive WorkFirst oversight task force on an agreed upon schedule. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care. The department must also report on the number of children served through contracted slots.

(7) $1,194,000 of the general fund—state appropriation for fiscal year 2016, $1,926,000 of the general fund—state appropriation for fiscal year 2017, and $13,424,000 of the general fund—federal appropriation are provided solely for the seasonal child care program. If federal sequestration cuts are realized, cuts to the seasonal child care program must be proportional to other federal reductions made within the department.

(8) $4,674,000 of the general fund—state appropriation for fiscal year 2016 and $4,674,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the early childhood intervention prevention services (ECLIPSE) program. The department shall contract for ECLIPSE services to provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department of social and health services children's administration. Of the amounts appropriated in this subsection, $60,000 per fiscal year may be used by the department for administering the ECLIPSE program, if needed.

(9) $47,000 of the general fund—state appropriation for fiscal year 2016 and $46,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Engrossed Substitute House Bill No. 1126 (fatality review).

(10) $23,529,000 of the general fund—state appropriation for fiscal year 2016, $41,087,000 of the general fund—state appropriation for fiscal year 2017, and $36,006,000 of the general fund—federal appropriation are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1491 (early care and education system). Of the amounts provided in this subsection:

(a) $60,817,000 is for quality rating and improvement system activities, including but not limited to: Level two activities, technical assistance, coaching, rating, and quality improvement awards. The department shall place a 10 percent administrative overhead cap on any contract entered into with the University of Washington.

(b) $10,895,000 is for degree and retention incentives and scholarship and tuition reimbursements.

(c) $12,828,000 is for level 2 payments and tiers 3, 4, and 5 payments for child care licensed family home and center providers. Additional amounts for licensed family home providers are provided separately in fiscal year 2016 as part of a collective bargaining agreement part IX of this act.

(11) $1,808,000 of the general fund—state appropriation for fiscal year 2016 and $1,728,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for reducing barriers for low-income providers to participate in the early achievers program consistent with Engrossed Second Substitute House Bill No. 1491 (early care and education system). Of the amounts provided in this subsection:

(a) $2,000,000 is for need-based grants. Additional amounts for child care licensed family home providers are provided separately as part of a collective bargaining agreement part IX of this act.

(b) $1,336,000 is for the creation of a substitute pool.

(c) $200,000 is for the development of materials and assessments in provider and family home languages.

(12) $300,000 of the general fund—state appropriation for fiscal year 2016 and $300,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a contract with a nonprofit entity experienced in the provision of promoting early literacy for children through pediatric office visits.

(13) $4,000,000 of the education legacy trust account—state appropriation is provided solely for early intervention assessment and services.

(14) Information technology projects or investments and proposed projects or investments impacting time capture, payroll and payment processes and systems, eligibility, case management and authorization systems within the department of early learning are subject to technical oversight by the office of the chief information officer. The department must collaborate with the office of the chief information officer to develop a strategic business and technology architecture plan for a child care attendance and billing system that supports a statewide architecture.

(15)(a)(i) The department of early learning is required to provide to the education research and data center, housed at the office of financial management, data on all state-funded early childhood programs. These programs include the early support for infants and toddlers, early childhood education and assistance program (ECEAP), and the working connections and seasonal subsidized childcare programs including license exempt facilities or family, friend, and neighbor care. The data provided by the department to the education research data center must include information on children who participate in these programs, including their name and date of birth, and dates the child received services at a particular facility.

(ii) ECEAP early learning professionals must enter any new qualifications into the department's professional development registry during the 2015-16 school year. By October 2017, the department must provide updated ECEAP early learning professional data to the education research data center.

(iii) The department must request federally funded head start programs to voluntarily provide data to the department and the education research data center that is equivalent to what is being provided for state-funded programs.

(iv) The education research and data center must provide an updated report on early childhood program participation and K-12 outcomes to the house of representatives appropriations committee and the senate ways and means committee using available data by November 2015 for the school year ending in 2014 and again in March 2016 for the school year ending in 2015.

(b) The department, in consultation with the department of social and health services, must withhold payment for services to early childhood programs that do not report on the name, date of birth, and the dates a child received services at a particular facility.

(16) The department shall work with state and local law enforcement, federally recognized tribal governments, and tribal law enforcement to develop a process for expediting fingerprinting and data collection necessary to conduct background checks for tribal early learning and child care providers.

(17) $3,777,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for the supplemental agreement to the 2015-2017 collective bargaining agreement covering family child care providers as set forth in section 905 of this act. Of the amounts provided in this subsection:

(a) $638,000 is for a base rate increase;

(b) $956,000 is for an increase in tiered reimbursement rates for levels three through five;

(c) $1,315,000 is for an increase in quality improvement awards;

(d) $478,000 is provided for training and quality improvement support services to family child care providers provided by the 501(c)(3) organization created for this purpose;

(e) $190,000 is provided for the administration of the family child care training and quality improvement fund and participation in the joint committee on family child care providers training and quality improvement; and

(f) $200,000 is provided for a slot-based pilot.

**Sec.**  2016 sp.s. c 36 s 613 (uncodified) is amended to read as follows:

**FOR THE STATE SCHOOL FOR THE BLIND**

General Fund—State Appropriation (FY 2016) $6,419,000

General Fund—State Appropriation (FY 2017) ((~~$6,579,000~~))

 $6,812,000

General Fund—Private/Local Appropriation $34,000

TOTAL APPROPRIATION ~~$13,032,000~~

 $13,265,000

The appropriations in this section are subject to the following conditions and limitations: Funding provided in this section is sufficient for the school to offer to students enrolled in grades nine through twelve for full-time instructional services at the Vancouver campus with the opportunity to participate in a minimum of one thousand eighty hours of instruction and the opportunity to earn twenty-four high school credits.

**Sec.**  2016 sp.s. c 36 s 615 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE ARTS COMMISSION**

General Fund—State Appropriation (FY 2016) $1,143,000

General Fund—State Appropriation (FY 2017) ((~~$1,166,000~~))

 $1,190,000

General Fund—Federal Appropriation $2,100,000

General Fund—Private/Local Appropriation $18,000

TOTAL APPROPRIATION ~~$4,427,000~~

 $4,451,000

**Sec.**  2016 sp.s. c 36 s 617 (uncodified) is amended to read as follows:

**FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

General Fund—State Appropriation (FY 2016) $1,789,000

General Fund—State Appropriation (FY 2017) ((~~$1,833,000~~))

 $1,923,000

TOTAL APPROPRIATION ~~$3,622,000~~

 $3,712,000

The appropriations in this section are subject to the following conditions and limitations: The eastern Washington state historical society shall develop a plan for creating a performance-based partnership agreement between the state of Washington and the not-for-profit Northwest museum of arts and culture for implementation in the 2017-2019 fiscal biennium. The plan at minimum shall include strategies to increase nonstate revenues for the operation of the museum and estimate the minimum amount of state funding necessary to preserve, maintain, and protect state-owned facilities and assets. The plan shall be submitted to the office of financial management and the fiscal committees of the legislature by October 1, 2016.

**PART XVII**

**SPECIAL APPROPRIATIONS**

**Sec.**  2016 sp.s. c 36 s 701 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT**

General Fund—State Appropriation (FY 2016) $1,059,582,000

General Fund—State Appropriation (FY 2017) ((~~$1,108,296,000~~))

 $1,102,296,000

State Building Construction Account—State

Appropriation ((~~$10,011,000~~))

 $8,011,000

Debt-Limit Reimbursable Bond Retirement Account—State

Appropriation $1,430,000

Columbia River Basin Water Supply Development

Account—State Appropriation $62,000

Columbia River Basin Taxable Bond Water Supply Development

Account—State Appropriation $82,000

State Taxable Building Construction

Account—State Appropriation $846,000

TOTAL APPROPRIATION ~~$2,180,309,000~~

 $2,172,309,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account.

**Sec.**  2015 3rd sp.s. c 4 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 GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE**

General Fund—State Appropriation (FY 2016) $16,129,000

General Fund—State Appropriation (FY 2017) $13,847,000

Nondebt-Limit Reimbursable Bond Retirement Account—State

Appropriation ((~~$180,685,000~~))

 $179,685,000

TOTAL APPROPRIATION ~~$210,661,000~~

 $209,661,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the nondebt-limit general fund bond retirement account.

**Sec.**  2016 sp.s. c 36 s 706 (uncodified) is amended to read as follows:

**FOR SUNDRY CLAIMS**

The following sums, or so much thereof as may be necessary, are appropriated from the general fund for fiscal year 2016 or fiscal year 2017, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims.

(1) These appropriations are to be disbursed on vouchers approved by the director of the department of enterprise services, except as otherwise provided, for reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as follows:

(a) David Wozny, claim number 99970105 $9,832

(b) Hugo Garibay, claim number 99970106 $10,246

(c) Emery Christianson, claim number 99970107 $7,445

(d) Anton Ehinger, claim number 99970108 $6,726

(e) Alan Graham, claim number 99970109 $5,495

(f) Joseph Compher, claim number 99970110 $32,235

(g) Alex Hallowell, claim number 99970111 $22,403

(h) James Clark, claim number 99970112 $8,250

(i) David Hill, claim number 99970114 $3,056

(j) David Maulen, claim number 99970113 $19,726

(k) Stephen White, claim number 99970115 $25,097

(l) Richard Brunhaver, claim number 99970116 $14,079

(m) James Barnett, claim number 99970117 $39,608

(n) Justin Carter, claim number 99970118 $35,179

(o) Derrick Moore, claim number 99970119 $23,474

(p) Joshua Bessey, claim number 99970120 $66,600

(q) Jason Swanberg, claim number 99970121 $7,905

(r) Max Willis, claim number 99970123 $26,205

(s) Jesica Bush, claim number 99970124 $22,990

(t) Rolondo Cavazos, claim number 99970125 $32,438

(u) Jared Ha, claim number 99970127 $45,104

(v) Eric Thompson, claim number 99970128 $15,127

(w) Meghan Altringer, claim number 99970129 $5,484

(x) James Wenzel, claim number 99970130 $5,240

(y) Arturo Rodriguez Ramos, claim number 99970131 $12,000

(z) Joel Gentleman, claim number 99970132 $16,173

(aa) Richard Cooper, claim number 99970133 $17,810

(bb) Michelle Trafford, claim number 99970136 $10,582

(cc) Linda Gipson, claim number 99970137 $316,531

(dd) Patrick Kelly, claim number 99970126 $8,483

(ee) Joseph Miller, claim number 99970137 $9,818

(2) These appropriations are to be disbursed on vouchers approved by the director of the department of enterprise services, except as otherwise provided, for payment of compensation for wrongful convictions pursuant to RCW 4.100.060, as follows:

Michael Wheeler, claim number 99970122 $466,711

NEW SECTION. **Sec.**  A new section is added to 2015 3rd sp.s. c 4 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT—REPAYMENT TO FEDERAL GOVERNMENT**

General Fund—State Appropriation (FY 2017) $425,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely to repay the federal government a percentage of the federal funds paid into certain revolving accounts that were transferred to the general fund in fiscal years 2016 and 2017 as required by Appendix V of 2 C.F.R. Part 200(G)(4)(2013).

NEW SECTION. **Sec.**  A new section is added to 2015 3rd sp.s. c 4 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT—DISASTER RESPONSE ACCOUNT**

General Fund—State Appropriation (FY 2017) $42,500,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the disaster response account to fund existing expenditures due to a delay in receiving federal fire management grant proceeds.

**Sec.**  A new section is added to 2015 3rd sp.s. c 4 (uncodified) to read as follows:

**FOR THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY**

Forest Development Account—State Appropriation $64,000

Aquatic Lands Enhancement Account—State Appropriation $8,000

Resources Management Cost Account—State Appropriation $136,000

Surface Mining Reclamation Account—State Appropriation $3,000

Forest Fire Protection Assessment Account—State

Appropriation $39,000

State Forest Nursery Revolving Account—State Appropriation $6,000

Access Road Revolving Account—State Appropriation $32,000

Park Land Trust Revolving Account—State Appropriation $4,000

Contract Harvesting Revolving Account—State Appropriation $4,000

Forest Practices Application Account—State

Appropriation $2,000

Agricultural College Trust Management Account—State

Appropriation $4,000

TOTAL APPROPRIATION $302,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the consolidated technology services revolving account for payment of the department of natural resources' share of the debt service allocation for the state data center for the programs funded by the accounts in this section.

NEW SECTION. **Sec.**  A new section is added to 2015 3rd sp.s. c 4 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT—JUDICIAL STABILIZATION TRUST ACCOUNT**

General Fund—State Appropriation (FY 2017) $1,000,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the judicial stabilization trust account in RCW 43.79.505 in an amount not to exceed the amount necessary to prevent a deficit in the account.

NEW SECTION. **Sec.**  A new section is added to 2015 3rd sp.s. c 4 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT—SKELETAL HUMAN REMAINS ASSISTANCE ACCOUNT**

General Fund—State Appropriation (FY 2017) $140,000

The appropriation in this section is subject to the following condition and limitation: The appropriation is provided solely for expenditure into the skeletal human remains assistance account.

**PART XVIII**

**OTHER TRANSFERS AND APPROPRIATIONS**

**Sec.**  2016 sp.s. c 36 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. ((~~$9,286,000~~))

 $9,224,000

General Fund Appropriation for public utility

district excise tax distributions ((~~$57,861,000~~))

 $56,659,000

General Fund Appropriation for prosecuting

attorney distributions ((~~$6,375,000~~))

 $6,396,000

General Fund Appropriation for boating safety

and education distributions ((~~$4,000,000~~))

 $3,682,000

General Fund Appropriation for other tax

distributions ((~~$86,000~~))

 $82,000

General Fund Appropriation for habitat conservation

program distributions ((~~$3,848,000~~))

 $3,495,000

Death Investigations Account Appropriation for

distribution to counties for publicly funded

autopsies $3,135,000

Aquatic Lands Enhancement Account Appropriation for

harbor improvement revenue distribution $140,000

Timber Tax Distribution Account Appropriation for

distribution to "timber" counties ((~~$76,600,000~~))

 $68,914,000

County Criminal Justice Assistance Appropriation

When making the fiscal year 2016 and 2017

distributions to Grant county, the state

treasurer shall reduce the amount by $140,000

each year and distribute the remainder to the

county. This is the second and third of three

reductions that have been made to reimburse the

state for a nonqualifying extraordinary criminal

justice act payment made to Grant county in

fiscal year 2013 $86,178,000

Municipal Criminal Justice Assistance

Appropriation $33,493,000

City-County Assistance Account Appropriation for

local government financial assistance

distribution ((~~$24,899,000~~))

 $24,499,000

Liquor Excise Tax Account Appropriation for liquor

excise tax distribution ((~~$50,680,000~~))

 $48,785,000

Streamlined Sales and Use Tax Mitigation Account

Appropriation for distribution to local taxing

jurisdictions to mitigate the unintended revenue

redistribution effect of the sourcing law

changes ((~~$46,762,000~~))

 $46,842,000

Columbia River Water Delivery Account Appropriation

for the Confederated Tribes of the Colville

Reservation $7,907,000

Columbia River Water Delivery Account Appropriation

for the Spokane Tribe of Indians $5,167,000

Liquor Revolving Account Appropriation for liquor

profits distribution $98,876,000

TOTAL APPROPRIATION ~~$515,293,000~~

 $503,424,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

**Sec.**  2016 sp.s. c 36 s 804 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER—TRANSFERS**

State Treasurer's Service Account: For transfer to

the state general fund, $10,000,000 for fiscal

year 2016 and $10,000,000 for fiscal year 2017 $20,000,000

General Fund: For transfer to the streamlined sales

and use tax account, $23,398,000

for fiscal year 2016 and ((~~$23,364,000~~)) $23,067,000

for fiscal year 2017 ((~~$46,762,000~~))

 $46,465,000

Dedicated Marijuana Account: For transfer to the

state general fund in an amount not to exceed

the amount determined pursuant to RCW 69.50.540,

$70,000,000 for fiscal year 2016 $70,000,000

Dedicated Marijuana Account: For transfer to the

state general fund ((~~in an amount not to exceed~~)),

the lesser of the amount determined pursuant

to RCW 69.50.540((~~, $100,000,000~~)) or this amount

for fiscal year 2017 ((~~$100,000,000~~))

 $91,035,000

Dedicated Marijuana Fund Account for distribution to

the basic health plan trust account in an amount

not to exceed the amount determined pursuant to

RCW 69.50.540 plus $14,000,000, $125,000,000 for

fiscal year 2016 $125,000,000

Dedicated Marijuana Account: For transfer to the

basic health plan trust account ((~~in an amount not~~

~~to exceed~~)), the lesser of the amount determined

pursuant to RCW 69.50.540((~~, $150,000,000~~))

or this amount for fiscal year 2017 ((~~$150,000,000~~))

 $141,330,000

Tobacco Settlement Account: For transfer to the state

general fund, in an amount not to exceed the

actual amount of the annual base payment to the

tobacco settlement account for fiscal year

2016 $90,000,000

Tobacco Settlement Account: For transfer to the

state general fund, in an amount not to exceed

the actual amount of the 2017 annual base payment

to the tobacco settlement account $90,000,000

Tobacco Settlement Account: For transfer to the state

general fund, in an amount not to exceed the

annual strategic contribution payment to the

tobacco settlement account for fiscal year 2016 ((~~$26,000,000~~))

 $26,950,000

Tobacco Settlement Account: For transfer to the

state general fund, in an amount not to exceed

the annual strategic contribution payment to

the tobacco settlement account for fiscal year

2017 ((~~$25,400,000~~))

 $26,700,000

Life Sciences Discovery Fund: For transfer to the

state general fund for fiscal year 2016 $11,000,000

Energy Freedom Account: For transfer to the state

general fund for fiscal year 2016, an amount

not to exceed the actual ending cash balance

of the fund $3,300,000

State Toxics Control Account: For transfer to the

clean up settlement account as repayment of the

loan provided in section 3022(2) chapter 2,

Laws of 2012, 2nd sp. sess. (ESB 6074 2012

supplemental capital budget), $643,000 for

fiscal year 2016 and $643,000 for fiscal

year 2017 $1,286,000

Aquatic Lands Enhancement Account: For transfer

to the clean up settlement account as repayment

of the loan provided in section 3022(2) chapter

2, Laws of 2012, 2nd sp. sess. (ESB 6074 2012

supplemental capital budget), $643,000 for

fiscal year 2016 and $643,000 for fiscal

year 2017 $1,286,000

Home Security Fund Account: For transfer to the

transitional housing operating and rent account,

$7,500,000 for fiscal year 2016 $7,500,000

Public Works Assistance Account: For transfer to the

state general fund, $36,500,000 for fiscal

year 2016 and $52,500,000 for fiscal

year 2017 $89,000,000

Criminal Justice Treatment Account: For transfer to

the state general fund $5,652,000 for fiscal

year 2016 and $5,651,000 for fiscal year 2017 $11,303,000

Liquor Revolving Account: For transfer to the state

general fund, $3,000,000 for fiscal year 2016

and $3,000,000 for fiscal year 2017 $6,000,000

Flood Control Assistance Account: For transfer

to the state general fund, $1,350,000

for fiscal year 2016 and $1,000,000 for fiscal year

2017 $2,350,000

Law Enforcement Officers' and Firefighters' Plan 2

Retirement Fund: For transfer to the local law

enforcement officers' and firefighters'

retirement system benefits improvement account

for fiscal year 2016 $15,779,000

Aerospace Training Student Loan Account: For

transfer to the state general fund, $1,000,000

for FY 2016 and $1,000,000 for FY 2017 $2,000,000

Water Rights Processing Account: For transfer

to the state drought preparedness account,

$332,000 for fiscal year 2016 $332,000

((~~Death Investigations Account: For transfer to~~

~~the sexual assault kit account,~~

~~$1,732,000 for fiscal year 2017~~ ~~$1,732,000~~))

Fingerprint Identification Account: For

transfer to the sexual assault kit account,

((~~$1,179,000~~)) $2,911,000 for fiscal year 2017 ((~~$1,179,000~~))

 $2,911,000

Charitable, Educational, Penal, and Reformatory

Institutions Account: For transfer to the state

general fund, $1,000,000 for fiscal year 2016 $1,000,000

Marine Resources Stewardship Trust Account: For

transfer to the aquatic lands enhancement account,

$975,000 for fiscal year 2016 $975,000

Vessel Response Account: For transfer to the

environmental legacy stewardship account,

$250,000 for fiscal year 2016 $250,000

Savings Incentive Account: For transfer to the state

general fund for fiscal year 2016, an amount attributable

to unspent agency credits excluding those

associated with legislative and judicial agencies $1,071,000

Employment Services Administrative Account: For transfer

to the state general fund, $750,000 for fiscal year 2016

and $2,250,000 for fiscal year 2017 $3,000,000

Washington Housing Trust Account: For transfer

to the home security fund account $7,000,000

Washington Housing Trust Account: For transfer to

the state general fund for fiscal year 2017 $3,000,000

Employment Services Administrative Account: For

transfer to the administrative contingency

fund account for fiscal year 2017 $8,500,000

OFM Labor Relations Service Account: For transfer

to the state general fund for fiscal year 2017 $1,000,000

Personnel Service Fund: For transfer to the state

general fund for fiscal year 2017 $500,000

Washington Real Estate Research Account: For

transfer to the state general fund for

fiscal year 2017 $500,000

Professional Engineers' Account: For transfer

to the state general fund for fiscal year 2017 $500,000

Real Estate Commission Account: For transfer

to the state general fund for fiscal year 2017 $500,000

It is the intent of the legislature to continue to transfer the excess balance from the criminal justice treatment account to the state general fund in the 2017-2019 fiscal biennium, consistent with policy in this omnibus appropriations act and in an amount not to exceed the projected fund balance.

It is the intent of the legislature to continue to transfer the excess balance from the state treasurer's service account to the state general fund in the 2017-2019 fiscal biennium, consistent with policy in this omnibus appropriations act and in an amount not to exceed the projected fund balance.

**PART XIX**

**MISCELLANEOUS**

NEW SECTION. **Sec.**  A new section is added to 2015 3rd sp.s. c 4 (uncodified) to read as follows:

(1) By June 30, 2017, the committee on advanced tuition payment defined in RCW 28B.95.020 shall review and report to the legislative fiscal and higher education committees on:

(a) The impact of decreasing tuition rates on the funded status and future unit price of the Washington advanced college tuition payment program;

(b) The feasibility and different options of establishing a college savings program as described in RCW 28B.95.150;

(c) A list of potential alternatives and impacts for changing the advanced college tuition payment distribution policy from tuition and fees to a cost of attendance metric; and

(d) A list of potential alternatives and impacts for whether the state penalty for withdrawal should be changed.

(2) This section expires June 30, 2017.

NEW SECTION. **Sec.**  If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**--- END ---**