

SHB 2299 - H AMD 1094
By Representative Ormsby

ADOPTED AS AMENDED 02/23/2018

1 Strike everything after the enacting clause and insert the
2 following:

3 "PART I
4 GENERAL GOVERNMENT

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

7 **FOR THE HOUSE OF REPRESENTATIVES**

8	General Fund—State Appropriation (FY 2018).	((\$37,642,000))
9		<u>\$35,492,000</u>
10	General Fund—State Appropriation (FY 2019).	((\$39,205,000))
11		<u>\$37,096,000</u>
12	((Motor Vehicle Account—State Appropriation.	\$2,011,000))
13	<u>Pension Funding Stabilization Account—State</u>	
14	<u>Appropriation.</u>	<u>\$4,280,000</u>
15	TOTAL APPROPRIATION.	((\$78,858,000))
16		<u>\$76,868,000</u>

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

19 (1) \$27,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for the tax structure reform work group.
21 The speaker shall designate one member from each of the major
22 caucuses in the house of representatives as a work group to
23 facilitate public discussions throughout the state regarding
24 Washington's tax structure. As part of this effort, the work group
25 may hold up to seven public meetings in geographically dispersed
26 areas of the state throughout the 2017-2019 fiscal biennium. These
27 discussions may include but are not limited to the advantages and
28 disadvantages of the state's current tax structure and potential
29 options to improve the current structure for the benefit of
30 individuals, families, and businesses in Washington state. The work
31 group is staffed by the office of program research. The work group

1 may report to the house of representatives finance committee and
2 other house of representatives committees upon request of the
3 committee chair.

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

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

12 **FOR THE SENATE**

13	General Fund—State Appropriation (FY 2018).	((\$26,369,000))
14		<u>\$24,908,000</u>
15	General Fund—State Appropriation (FY 2019).	((\$29,451,000))
16		<u>\$27,998,000</u>
17	((Motor Vehicle Account—State Appropriation.	\$1,903,000))
18	<u>Pension Funding Stabilization Account—State</u>	
19	<u>Appropriation.</u>	<u>\$2,941,000</u>
20	TOTAL APPROPRIATION.	((\$57,723,000))
21		<u>\$55,847,000</u>

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

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

31 **FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE**

32	General Fund—State Appropriation (FY 2018).	((\$135,000))
33		<u>\$208,000</u>
34	General Fund—State Appropriation (FY 2019).	((\$29,000))
35		<u>\$341,000</u>
36	Performance Audits of Government—State	
37	Appropriation.	((\$8,619,000))

1 \$8,119,000
2 TOTAL APPROPRIATION. ((\$8,783,000))
3 \$8,668,000

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

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

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

15 (3) \$308,000 of the performance audits of government account—
16 state appropriation is provided solely for the implementation of
17 chapter 303, Laws of 2017 (ESHB 1594) (public records
18 administration).

19 ~~((+5))~~ (4) \$100,000 of the performance audits of government
20 account—state appropriation is provided solely for an evaluation of:
21 (a) The adequacy and effectiveness of the department of commerce
22 office of youth homelessness performance based contracting with
23 homelessness service providers; and (b) compliance with the
24 performance measurement, reporting, and quality award program
25 application requirements of chapter 43.185C RCW.

26 ~~((+6))~~ (5) The agency is directed to use its moneys in the
27 savings incentive account for one-time relocation, furniture,
28 equipment, and tenant improvements costs to move to the 1063
29 building.

30 ~~((+7))~~ (6)(a) \$250,000 of the performance audit of government—
31 state appropriation is provided solely for the committee to conduct a
32 study of the employment services and community access services
33 provided by the department of social and health services for
34 individuals with a developmental disability. The study should explore
35 the following topics:

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

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

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

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

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

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

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

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

17 (7) \$9,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$7,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for implementation of Substitute
20 House Bill No. 1154 (fishing and seafood processing). If the bill is
21 not enacted by June 30, 2018, the amounts provided in this subsection
22 shall lapse.

23 (8) \$9,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$5,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for implementation of Substitute
26 House Bill No. 2269 (adaptive automotive equipment tax). If the bill
27 is not enacted by June 30, 2018, the amounts provided in this
28 subsection shall lapse.

29 (9) \$9,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$4,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for implementation of Substitute
32 House Bill No. 2448 (developmental disability housing/tax). If the
33 bill is not enacted by June 30, 2018, the amounts provided in this
34 subsection shall lapse.

35 (10) \$9,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$4,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for implementation of Substitute
38 House Bill No. 2550 (disabled veteran assistance/tax). If the bill is

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

3 (11) \$22,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for implementation of Substitute House
5 Bill No. 2580 (renewable natural gas). If the bill is not enacted by
6 June 30, 2018, the amount provided in this subsection shall lapse.

7 (12) \$9,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$2,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for implementation of House Bill
10 No. 2928 (cooperative finance organizations B&O). If the bill is not
11 enacted by June 30, 2018, the amounts provided in this subsection
12 shall lapse.

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

18 (14) \$220,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for implementation of Engrossed Third
20 Substitute House Bill No. 1144 (greenhouse gas emissions). If the
21 bill is not enacted by June 30, 2018, the amount provided in this
22 subsection shall lapse.

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

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

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

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

37 (16) \$13,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for implementation of Engrossed Second
39 Substitute House Bill No. 2396 (child care access). If the bill is

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

3 **Sec. 104.** 2017 3rd sp.s. c 1 s 105 (uncodified) is amended to
4 read as follows:

5 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

6	General Fund—State Appropriation (FY 2018).	((\$10,730,000))
7		<u>\$10,317,000</u>
8	General Fund—State Appropriation (FY 2019).	((\$10,254,000))
9		<u>\$10,724,000</u>
10	<u>Pension Funding Stabilization Account—State</u>	
11	<u>Appropriation.</u>	<u>\$825,000</u>
12	TOTAL APPROPRIATION.	((\$20,984,000))
13		<u>\$21,866,000</u>

14 **Sec. 105.** 2017 3rd sp.s. c 1 s 106 (uncodified) is amended to
15 read as follows:

16 **FOR THE OFFICE OF THE STATE ACTUARY**

17	General Fund—State Appropriation (FY 2018).	((\$302,000))
18		<u>\$288,000</u>
19	General Fund—State Appropriation (FY 2019).	((\$308,000))
20		<u>\$294,000</u>
21	State Health Care Authority Administrative Account—State	
22	Appropriation.	<u>\$406,000</u>
23	Department of Retirement Systems Expense	
24	Account—State Appropriation.	<u>\$5,110,000</u>
25	<u>Pension Funding Stabilization Account—State</u>	
26	<u>Appropriation.</u>	<u>\$28,000</u>
27	TOTAL APPROPRIATION.	<u>\$6,126,000</u>

28 **Sec. 106.** 2017 3rd sp.s. c 1 s 107 (uncodified) is amended to
29 read as follows:

30 **FOR THE STATUTE LAW COMMITTEE**

31	General Fund—State Appropriation (FY 2018).	((\$4,936,000))
32		<u>\$4,650,000</u>
33	General Fund—State Appropriation (FY 2019).	((\$5,455,000))
34		<u>\$5,171,000</u>
35	<u>Pension Funding Stabilization Account—State</u>	
36	<u>Appropriation.</u>	<u>\$568,000</u>

1 TOTAL APPROPRIATION. ((~~\$10,391,000~~))
2 \$10,389,000

3 **Sec. 107.** 2017 3rd sp.s. c 1 s 108 (uncodified) is amended to
4 read as follows:

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

6 General Fund—State Appropriation (FY 2018). ((~~\$4,043,000~~))
7 \$3,823,000

8 General Fund—State Appropriation (FY 2019). ((~~\$4,485,000~~))
9 \$4,267,000

10 Pension Funding Stabilization Account—State

11 Appropriation. \$438,000

12 TOTAL APPROPRIATION. \$8,528,000

13 **Sec. 108.** 2017 3rd sp.s. c 1 s 110 (uncodified) is amended to
14 read as follows:

15 **FOR THE SUPREME COURT**

16 General Fund—State Appropriation (FY 2018). ((~~\$8,046,000~~))
17 \$7,711,000

18 General Fund—State Appropriation (FY 2019). ((~~\$8,368,000~~))
19 \$8,028,000

20 Pension Funding Stabilization Account—State

21 Appropriation. \$671,000

22 TOTAL APPROPRIATION. ((~~\$16,414,000~~))

23 \$16,410,000

24 **Sec. 109.** 2017 3rd sp.s. c 1 s 111 (uncodified) is amended to
25 read as follows:

26 **FOR THE LAW LIBRARY**

27 General Fund—State Appropriation (FY 2018). ((~~\$1,685,000~~))
28 \$1,621,000

29 General Fund—State Appropriation (FY 2019). ((~~\$1,714,000~~))
30 \$1,649,000

31 Pension Funding Stabilization Account—State

32 Appropriation. \$128,000

33 TOTAL APPROPRIATION. ((~~\$3,399,000~~))

34 \$3,398,000

1 **Sec. 110.** 2017 3rd sp.s. c 1 s 112 (uncodified) is amended to
2 read as follows:

3 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

4	General Fund—State Appropriation (FY 2018).	((\$1,340,000))
5		<u>\$1,246,000</u>
6	General Fund—State Appropriation (FY 2019).	((\$1,236,000))
7		<u>\$1,200,000</u>
8	<u>Pension Funding Stabilization Account—State</u>	
9	<u>Appropriation.</u>	<u>\$130,000</u>
10	TOTAL APPROPRIATION.	\$2,576,000

11 **Sec. 111.** 2017 3rd sp.s. c 1 s 113 (uncodified) is amended to
12 read as follows:

13 **FOR THE COURT OF APPEALS**

14	General Fund—State Appropriation (FY 2018).	((\$18,077,000))
15		<u>\$17,341,000</u>
16	General Fund—State Appropriation (FY 2019).	((\$18,860,000))
17		<u>\$18,109,000</u>
18	<u>Pension Funding Stabilization Account—State</u>	
19	<u>Appropriation.</u>	<u>\$1,477,000</u>
20	TOTAL APPROPRIATION.	((\$36,937,000))
21		<u>\$36,927,000</u>

22 **Sec. 112.** 2017 3rd sp.s. c 1 s 114 (uncodified) is amended to
23 read as follows:

24 **FOR THE ADMINISTRATOR FOR THE COURTS**

25	General Fund—State Appropriation (FY 2018).	((\$56,910,000))
26		<u>\$55,101,000</u>
27	General Fund—State Appropriation (FY 2019).	((\$58,751,000))
28		<u>\$62,381,000</u>
29	General Fund—Federal Appropriation.	\$2,175,000
30	General Fund—Private/Local Appropriation.	\$677,000
31	<u>Judicial Information Systems Account—State</u>	
32	<u>Appropriation.</u>	((\$58,486,000))
33		<u>\$61,141,000</u>
34	<u>Judicial Stabilization Trust Account—State</u>	
35	<u>Appropriation.</u>	((\$6,691,000))
36		<u>\$4,851,000</u>
37	<u>Pension Funding Stabilization Account—State</u>	

1	<u>Appropriation.</u>	<u>\$4,580,000</u>
2	TOTAL APPROPRIATION.	((\$183,690,000))
3		<u>\$190,906,000</u>

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

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

11 (2) \$1,399,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$1,399,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for school districts for
14 petitions to juvenile court for truant students as provided in RCW
15 28A.225.030 and 28A.225.035. The administrator for the courts shall
16 develop an interagency agreement with the superintendent of public
17 instruction to allocate the funding provided in this subsection.
18 Allocation of this money to school districts shall be based on the
19 number of petitions filed. This funding includes amounts school
20 districts may expend on the cost of serving petitions filed under RCW
21 28A.225.030 by certified mail or by personal service or for the
22 performance of service of process for any hearing associated with RCW
23 28A.225.030.

24 (3)(a) \$7,313,000 of the general fund—state appropriation for
25 fiscal year 2018 and \$7,313,000 of the general fund—state
26 appropriation for fiscal year 2019 are provided solely for
27 distribution to county juvenile court administrators to fund the
28 costs of processing truancy, children in need of services, and at-
29 risk youth petitions. The administrator for the courts, in
30 conjunction with the juvenile court administrators, shall develop an
31 equitable funding distribution formula. The formula shall neither
32 reward counties with higher than average per-petition processing
33 costs nor shall it penalize counties with lower than average per-
34 petition processing costs.

35 (b) Each fiscal year during the 2017-2019 fiscal biennium, each
36 county shall report the number of petitions processed and the total
37 actual costs of processing truancy, children in need of services, and
38 at-risk youth petitions. Counties shall submit the reports to the
39 administrator for the courts no later than 45 days after the end of

1 the fiscal year. The administrator for the courts shall
2 electronically transmit this information to the chairs and ranking
3 minority members of the house of representatives and senate fiscal
4 committees no later than 60 days after a fiscal year ends. These
5 reports are deemed informational in nature and are not for the
6 purpose of distributing funds.

7 (4) \$12,000,000 of the judicial information systems account—state
8 appropriation is provided solely for the continued implementation of
9 the superior courts case management system. Of the amount
10 appropriated, \$8,300,000 is provided solely for expenditures in
11 fiscal year 2018. The remaining appropriation of \$3,700,000 is
12 provided solely for expenditures in fiscal year 2019 and shall lapse
13 and remain unexpended if the superior court case management system is
14 not live and fully functional in Cowlitz, Grays Harbor, Klickitat,
15 Mason, Pacific, and Skamania counties by July 1, 2017, and Clallum,
16 Jefferson, Kitsap, Skagit, and Whatcom counties by January 1, 2018.

17 (5) (~~(\$4,339,000)~~) \$4,216,000 of the judicial information systems
18 account—state appropriation is provided solely for the information
19 network hub project.

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

- 25 (i) The superior court case management system;
- 26 (ii) The appellate court case management system;
- 27 (iii) The courts of limited jurisdiction case management system;
- 28 (~~(iii)~~) (iv) Equipment replacement; and
- 29 (~~(iv)~~) (v) Support staff for information technology projects.

30 (b) Expenditures from the judicial information systems account
31 shall not exceed available resources. The office must coordinate with
32 the steering committee for the superior court case management system
33 and the steering committee for the courts of limited jurisdiction
34 case management system to prioritize expenditures for judicial branch
35 information technology projects. For any competitive procurement
36 using amounts appropriated, the office of the chief information
37 officer must review the qualifications and proposed work plan of the
38 apparently successful bidder prior to final selection and review the
39 proposed vendor contract prior to its execution. The office shall not

1 enter into any contract using appropriated amounts that would cause
2 total information technology expenditures to exceed projected
3 resources in the judicial information systems account in the
4 2019-2021 fiscal biennium.

5 (7) (~~(\$406,000)~~) \$811,000 of the general fund—state appropriation
6 for fiscal year 2018 and (~~(\$405,000)~~) \$811,000 of the general fund—
7 state appropriation for fiscal year 2019 are provided solely for the
8 statewide fiscal impact on Thurston county courts. The administrative
9 office of the courts must collaborate with Thurston county to create
10 a new fee formula that accurately represents the state's impact on
11 Thurston county courts.

12 (8) \$53,000 of the general fund—state appropriation for fiscal
13 year 2018 is provided solely for implementation of chapter 272, Laws
14 of 2017 (E2SHB 1163) (domestic violence).

15 (9) \$61,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$58,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for implementation of chapter
18 268, Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

19 (10) \$570,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for the implementation of Substitute
21 House Bill No. 1186 (court interpreter services). If the bill is not
22 enacted by June 30, 2018, the amount provided in this subsection
23 shall lapse.

24 (11) \$602,000 of the general fund—state appropriation for fiscal
25 year 2019 is provided solely for the implementation of Engrossed
26 Second Substitute House Bill No. 1783 (legal financial obligations).
27 If the bill is not enacted by June 30, 2018, the amount provided in
28 this subsection shall lapse.

29 **Sec. 113.** 2017 3rd sp.s. c 1 s 115 (uncodified) is amended to
30 read as follows:

31 **FOR THE OFFICE OF PUBLIC DEFENSE**

32 General Fund—State Appropriation (FY 2018).	((\$41,558,000))
33	<u>\$42,129,000</u>
34 General Fund—State Appropriation (FY 2019).	((\$42,539,000))
35	<u>\$43,494,000</u>
36 Judicial Stabilization Trust Account—State	
37 Appropriation.	((\$3,710,000))
38	<u>\$3,709,000</u>

1 Pension Funding Stabilization Account—State

2 Appropriation. \$278,000
3 TOTAL APPROPRIATION. ((\$87,807,000))
4 \$89,610,000

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

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

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

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

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

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

35 (6) \$432,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$432,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for vendor rate increases. Of
38 the amounts provided in this subsection, \$188,000 each fiscal year is

1 provided solely for an increase in the rate for contracted social
2 workers.

3 **Sec. 114.** 2017 3rd sp.s. c 1 s 116 (uncodified) is amended to
4 read as follows:

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

6	General Fund—State Appropriation (FY 2018).	((\$14,855,000))
7		<u>\$14,833,000</u>
8	General Fund—State Appropriation (FY 2019).	((\$16,490,000))
9		<u>\$17,523,000</u>
10	Judicial Stabilization Trust Account—State	
11	Appropriation.	\$1,463,000
12	Pension Funding Stabilization Account—State	
13	<u>Appropriation.</u>	<u>\$44,000</u>
14	TOTAL APPROPRIATION.	((\$32,808,000))
15		<u>\$33,863,000</u>

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

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

25 (2) \$1,075,000 of the general fund—state appropriation for fiscal
26 year 2018 and ((~~\$2,600,000~~)) \$3,275,000 of the general fund—state
27 appropriation for fiscal year 2019 are provided solely for the office
28 to partially implement the civil legal aid reinvestment plan.

29 (3) \$300,000 of the general fund—state appropriation for fiscal
30 year 2019 is provided solely for the office of civil legal aid to
31 automate, deploy, and host a plain language family law form document
32 assembly system.

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

1 applications from an agency-based data center to the state data
2 center or a cloud environment.

3 **Sec. 118.** 2017 3rd sp.s. c 1 s 120 (uncodified) is amended to
4 read as follows:

5 **FOR THE SECRETARY OF STATE**

6	General Fund—State Appropriation (FY 2018).	((\$15,131,000))
7		<u>\$15,691,000</u>
8	General Fund—State Appropriation (FY 2019).	((\$13,465,000))
9		<u>\$13,554,000</u>
10	General Fund—Federal Appropriation.	\$7,801,000
11	Public Records Efficiency, Preservation, and Access	
12	Account—State Appropriation.	((\$9,223,000))
13		<u>\$9,218,000</u>
14	Charitable Organization Education Account—State	
15	Appropriation.	\$673,000
16	Local Government Archives Account—State	
17	Appropriation.	((\$10,946,000))
18		<u>\$10,943,000</u>
19	Election Account—Federal Appropriation.	\$4,387,000
20	Washington State Heritage Center Account—State	
21	Appropriation.	((\$10,383,000))
22		<u>\$10,625,000</u>
23	<u>Pension Funding Stabilization Account—State</u>	
24	<u>Appropriation.</u>	<u>\$959,000</u>
25	TOTAL APPROPRIATION.	((\$72,009,000))
26		<u>\$73,851,000</u>

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

29 (1) \$3,301,000 of the general fund—state appropriation for fiscal
30 year 2018 is provided solely to reimburse counties for the state's
31 share of primary and general election costs and the costs of
32 conducting mandatory recounts on state measures. Counties shall be
33 reimbursed only for those odd-year election costs that the secretary
34 of state validates as eligible for reimbursement.

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

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

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

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

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

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

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

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

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

34 (4) \$15,000 of the general fund—state appropriation for fiscal
35 year 2018, \$15,000 of the general fund—state appropriation for fiscal
36 year 2019, \$4,000 of the public records efficiency, preservation and
37 access account, and \$2,253,000 of the local government archives
38 account appropriation are provided solely for the implementation of
39 chapter 303, Laws of 2017 (ESHB 1594) (public records
40 administration).

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

4 (6) \$102,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely for implementation of Engrossed Second
6 Substitute House Bill No. 2595 (automatic voter registration). If the
7 bill is not enacted by June 30, 2018, the amount provided in this
8 subsection shall lapse.

9 (7) \$100,000 of the general fund—state appropriation for fiscal
10 year 2019 is provided solely for a study to determine any benefits,
11 the full cost to the state, and any potential impact on voter turnout
12 for reimbursing all counties for the cost of return postage on mail
13 and absentee ballots for all elections.

14 **Sec. 119.** 2017 3rd sp.s. c 1 s 121 (uncodified) is amended to
15 read as follows:

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

17	General Fund—State Appropriation (FY 2018).	((\$289,000))
18		<u>\$274,000</u>
19	General Fund—State Appropriation (FY 2019).	((\$276,000))
20		<u>\$263,000</u>
21	<u>Pension Funding Stabilization Account—State</u>	
22	<u>Appropriation.</u>	<u>\$28,000</u>
23	TOTAL APPROPRIATION.	\$565,000

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

35 **Sec. 120.** 2017 3rd sp.s. c 1 s 122 (uncodified) is amended to
36 read as follows:

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

1	General Fund—State Appropriation (FY 2018).	((\$253,000))
2		<u>\$243,000</u>
3	General Fund—State Appropriation (FY 2019).	((\$263,000))
4		<u>\$253,000</u>
5	<u>Pension Funding Stabilization Account—State</u>	
6	<u>Appropriation.</u>	\$26,000
7	TOTAL APPROPRIATION.	((\$516,000))
8		<u>\$522,000</u>

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

19 **Sec. 121.** 2017 3rd sp.s. c 1 s 123 (uncodified) is amended to
20 read as follows:

21 **FOR THE STATE TREASURER**

22	State Treasurer's Service Account—State	
23	Appropriation.	((\$18,918,000))
24		<u>\$19,376,000</u>

25 The appropriation in this section is subject to the following
26 conditions and limitations: \$75,000 of the state treasurer's service
27 account—state appropriation is provided solely to establish a task
28 force on public infrastructure and a publicly-owned depository. The
29 task force must examine the scope of financial needs for local
30 governments for constructing public infrastructure; the feasibility
31 of creating a publicly-owned depository to facilitate investment in,
32 and financing of, public infrastructure systems that will increase
33 public health and safety, and leverage the financial capital and
34 resources of Washington state by working in partnership with
35 financial institutions that benefit local communities, or with
36 community-based organizations, economic development organizations,
37 local governments, guaranty agencies, and other stakeholder groups to

1 create jobs and economic opportunities within our state for public
2 benefit.

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

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

22 (3) \$303,000 of the state treasurer's service account—state
23 appropriation for fiscal year 2019 is provided solely for
24 implementation of Engrossed Second Substitute House Bill No. 2718
25 (civil forfeiture proceedings). If the bill is not enacted by June
26 30, 2018, the amount provided in this subsection shall lapse.

27 **Sec. 122.** 2017 3rd sp.s. c 1 s 124 (uncodified) is amended to
28 read as follows:

29 **FOR THE STATE AUDITOR**

30	General Fund—State Appropriation (FY 2018).	\$28,000
31	General Fund—State Appropriation (FY 2019).	\$32,000
32	State Auditing Services Revolving Account—State	
33	Appropriation.	((\$10,219,000))
34		<u>\$10,216,000</u>
35	Performance Audit of Government Account—State	
36	Appropriation.	((\$3,019,000))
37		<u>\$3,719,000</u>
38	TOTAL APPROPRIATION.	((\$13,298,000))

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

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

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

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

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

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

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

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

(3) \$667,000 of the performance audits of government account—state appropriation ((for fiscal year 2018)) is provided solely for the state auditor's office to conduct a performance audit of Washington charter public schools to satisfy the requirement to contract for an independent performance audit pursuant to RCW 28A.710.030(2). The final report of the performance audit must be submitted to the appropriate legislative policy committees by ((June 30)) December 31, 2018. The audit must include ((eight)) ten schools currently in ((their first year of)) operation and, subject to the

1 availability of data, must ~~((address the following questions))~~
2 include, but is not limited to evaluating, the following operational
3 and academic outcomes:

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

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

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

20 (4) \$700,000 of the performance audit of government account—state
21 appropriation is provided solely for the state auditor's office to
22 conduct ten additional program or agency audits.

23 **Sec. 123.** 2017 3rd sp.s. c 1 s 125 (uncodified) is amended to
24 read as follows:

25 **FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS**

26	General Fund—State Appropriation (FY 2018).	((\$204,000))
27		<u>\$213,000</u>
28	General Fund—State Appropriation (FY 2019).	((\$205,000))
29		<u>\$218,000</u>
30	<u>Pension Funding Stabilization Account—State</u>	
31	<u>Appropriation.</u>	<u>\$30,000</u>
32	TOTAL APPROPRIATION.	((\$409,000))
33		<u>\$461,000</u>

34 **Sec. 124.** 2017 3rd sp.s. c 1 s 126 (uncodified) is amended to
35 read as follows:

36 **FOR THE ATTORNEY GENERAL**

37	General Fund—State Appropriation (FY 2018).	((\$8,641,000))
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1		<u>\$7,837,000</u>
2	General Fund—State Appropriation (FY 2019).	((\$8,951,000))
3		<u>\$8,234,000</u>
4	General Fund—Federal Appropriation.	((\$6,969,000))
5		<u>\$8,945,000</u>
6	New Motor Vehicle Arbitration Account—State	
7	Appropriation.	\$1,145,000
8	Legal Services Revolving Account—State	
9	Appropriation.	((\$245,290,000))
10		<u>\$250,553,000</u>
11	Tobacco Prevention and Control Account—State	
12	Appropriation.	\$273,000
13	Medicaid Fraud Penalty Account—State Appropriation.	\$3,526,000
14	Public Service Revolving Account—State	
15	Appropriation.	((\$2,373,000))
16		<u>\$2,724,000</u>
17	Child Rescue Fund—State Appropriation.	((\$550,000))
18		<u>\$500,000</u>
19	Local Government Archives Account—State Appropriation.	\$660,000
20	<u>Pension Funding Stabilization Account—State</u>	
21	<u>Appropriation.</u>	<u>\$1,606,000</u>
22	TOTAL APPROPRIATION.	((\$278,378,000))
23		<u>\$286,003,000</u>

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

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

37 (2) Prior to entering into any negotiated settlement of a claim
38 against the state that exceeds five million dollars, the attorney
39 general shall notify the director of financial management and the

1 chairs of the senate committee on ways and means and the house of
2 representatives committee on appropriations.

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

10 (4) \$353,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$353,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for a grant to the Washington
13 coalition of crime victim advocates to provide training,
14 certification, and technical assistance for crime victim service
15 center advocates.

16 (5) \$92,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$91,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for implementation of chapter
19 163, Laws of 2017 (SHB 1055) (military members/pro bono).

20 (6) \$49,000 of the legal services revolving account—state
21 appropriation is provided solely for implementation of chapter 268,
22 Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

23 (7) \$276,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$259,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for implementation of chapter
26 294, Laws of 2017 (SSB 5835) (health outcomes/pregnancy).

27 (8) \$22,000 of the legal services revolving account—state
28 appropriation is provided solely for implementation of chapter 295,
29 Laws of 2017 (SHB 1258) (first responders/disability).

30 (9) \$35,000 of the legal services revolving account—state
31 appropriation is provided solely for implementation of chapter 249,
32 Laws of 2017 (ESHB 1714) (nursing staffing/hospitals).

33 (10) \$361,000 of the legal services revolving account—state
34 appropriation and \$660,000 of the local government archives account—
35 state appropriation are provided solely for implementation of chapter
36 303, Laws of 2017 (ESHB 1594) (public records administration).

37 (11) \$40,000 of the general fund—state appropriation for fiscal
38 year 2018 is provided solely for the implementation of chapter 243,
39 Laws of 2017 (HB 1352) (small business owners).

1 (12) \$67,000 of the legal services revolving account—state
2 appropriation is provided solely for the implementation of chapter
3 320, Laws of 2017 (SSB 5322) (dentists and third parties).

4 (13) \$11,000 of the legal services revolving account—state
5 appropriation is provided solely for the implementation of chapter
6 53, Laws of 2017 (2SHB 1120) (regulatory fairness act).

7 (14) \$119,000 of the legal services revolving account—state
8 appropriation is provided solely for the implementation of chapter 1,
9 Laws of 2018 (ESSB 6091).

10 (15) \$78,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for the implementation of Second
12 Substitute House Bill No. 1298 (job applicants/arrests). If the bill
13 is not enacted by June 30, 2018, the amount provided in this
14 subsection shall lapse.

15 (16) \$350,000 of the public service revolving account—state
16 appropriation is provided solely for additional expert witness
17 assistance for the public counsel unit.

18 (17) \$72,000 of the legal services revolving account—state
19 appropriation is provided solely for the implementation of Engrossed
20 Second Substitute House Bill No. 1889 (corrections ombuds, creating).
21 If the bill is not enacted by June 30, 2018, the amount provided in
22 this subsection shall lapse.

23 **Sec. 125.** 2017 3rd sp.s. c 1 s 127 (uncodified) is amended to
24 read as follows:

25 **FOR THE CASELOAD FORECAST COUNCIL**

26	General Fund—State Appropriation (FY 2018).	((\$1,606,000))
27		<u>\$1,562,000</u>
28	General Fund—State Appropriation (FY 2019).	((\$1,576,000))
29		<u>\$1,706,000</u>
30	<u>Pension Funding Stabilization Account—State</u>	
31	<u>Appropriation.</u>	<u>\$169,000</u>
32	TOTAL APPROPRIATION.	((\$3,182,000))
33		<u>\$3,437,000</u>

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

36 (1) In addition to caseload forecasts for common schools as
37 defined in RCW 43.88C.010(7), during the 2017-2019 fiscal biennium

1 the council must provide a separate forecast of enrollment for
2 charter schools authorized by chapter 28A.710 RCW.

3 (2) \$79,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for implementation of Engrossed House
5 Bill No. 2008 (state services for children). If the bill is not
6 enacted by June 30, 2018, the amount provided in this subsection
7 shall lapse.

8 (3) \$20,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$73,000 of the general fund—state appropriation for
10 fiscal year 2019 is provided solely for the council to assist with
11 the review of the sentencing reform act being conducted by the
12 sentencing guidelines commission.

13 **Sec. 126.** 2017 3rd sp.s. c 1 s 128 (uncodified) is amended to
14 read as follows:

15 **FOR THE DEPARTMENT OF COMMERCE**

16	General Fund—State Appropriation (FY 2018).	((\$64,989,000))
17		<u>\$65,978,000</u>
18	General Fund—State Appropriation (FY 2019).	((\$65,634,000))
19		<u>\$75,191,000</u>
20	General Fund—Federal Appropriation.	((\$295,855,000))
21		<u>\$295,861,000</u>
22	General Fund—Private/Local Appropriation.	((\$8,623,000))
23		<u>\$9,026,000</u>
24	Public Works Assistance Account—State	
25	Appropriation.	\$8,092,000
26	Drinking Water Assistance Administrative	
27	Account—State Appropriation.	\$508,000
28	Lead Paint Account—State Appropriation.	((\$238,000))
29		<u>\$464,000</u>
30	Building Code Council Account—State Appropriation.	\$15,000
31	Home Security Fund Account—State Appropriation.	((\$48,400,000))
32		<u>\$48,401,000</u>
33	Affordable Housing for All Account—State	
34	Appropriation.	\$13,867,000
35	Financial Fraud and Identity Theft Crimes	
36	Investigation and Prosecution Account—State	
37	Appropriation.	\$1,974,000
38	Low-Income Weatherization and Structural	

1	Rehabilitation Assistance Account—State	
2	Appropriation.	\$1,398,000
3	Community and Economic Development Fee Account—State	
4	Appropriation.	\$4,630,000
5	Washington Housing Trust Account—State	
6	Appropriation.	((\$12,617,000))
7		<u>\$12,619,000</u>
8	Prostitution Prevention and Intervention Account—	
9	State Appropriation.	\$26,000
10	Public Facility Construction Loan Revolving	
11	Account—State Appropriation.	((\$842,000))
12		<u>\$843,000</u>
13	Drinking Water Assistance Account—State	
14	Appropriation.	\$46,000
15	Liquor Revolving Account—State Appropriation.	((\$5,613,000))
16		<u>\$5,763,000</u>
17	Energy Freedom Account—State Appropriation.	\$6,000
18	Liquor Excise Tax Account—State Appropriation.	\$665,000
19	Economic Development Strategic Reserve Account—State	
20	Appropriation.	((\$5,611,000))
21		<u>\$2,651,000</u>
22	Financial Services Regulation Account—State	
23	Appropriation.	\$468,000
24	<u>Pension Funding Stabilization Account—State</u>	
25	<u>Appropriation.</u>	<u>\$1,618,000</u>
26	TOTAL APPROPRIATION.	((\$540,117,000))
27		<u>\$550,110,000</u>

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

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

38 (2) ((~~\$500,000~~)) \$750,000 of the general fund—state appropriation
39 for fiscal year 2018 and ((~~\$500,000~~)) \$750,000 of the general fund—

1 state appropriation for fiscal year 2019 are provided solely for a
2 grant to resolution Washington to building statewide capacity for
3 alternative dispute resolution centers and dispute resolution
4 programs that guarantee that citizens have access to low-cost
5 resolution as an alternative to litigation.

6 (3) \$375,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$375,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for a grant to the retired
9 senior volunteer program.

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

14 (5) \$375,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$375,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely as pass-through funding to Walla
17 Walla Community College for its water and environmental center.

18 (6) (~~(\$5,602,000 of the economic development strategic reserve~~
19 ~~account state appropriation is)) \$1,480,000 of the general fund—state
20 appropriation for fiscal year 2018, \$1,480,000 of the general fund—
21 state appropriation for fiscal year 2019, and \$2,642,000 of the
22 economic development strategic reserve account—state appropriation
23 are provided solely for associate development organizations. During
24 the 2017-2019 fiscal biennium, the department shall consider an
25 associate development organization's total resources when making
26 contracting and fund allocation decisions, in addition to the
27 schedule provided in RCW 43.330.086.~~

28 (7) \$5,607,000 of the liquor revolving account—state
29 appropriation is provided solely for the department to contract with
30 the municipal research and services center of Washington.

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

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

8 (9) \$700,000 of the general fund—state appropriation for fiscal
9 year 2018 and (~~(\$700,000)~~) \$1,436,000 of the general fund—state
10 appropriation for fiscal year 2019 are provided solely for the
11 department to identify and invest in strategic growth areas, support
12 key sectors, and align existing economic development programs and
13 priorities. The department must consider Washington's position as the
14 most trade-dependent state when identifying priority investments. The
15 department must engage states and provinces in the northwest as well
16 as associate development organizations, small business development
17 centers, chambers of commerce, ports, and other partners to leverage
18 the funds provided. For each dollar expended, the department must
19 receive a one hundred percent match. The match may be provided by the
20 department through nongeneral fund sources, or any partnering
21 governments or organizations. Sector leads established by the
22 department must include the industries of: (a) Tourism; (b)
23 agriculture, wood products, and other natural resource industries;
24 and (c) clean technology and renewable and nonrenewable energy. The
25 department may establish these sector leads by hiring new staff,
26 expanding the duties of current staff, or working with partner
27 organizations and or other agencies to serve in the role of sector
28 lead.

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

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

37 (12) \$150,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$150,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for the expansion of the current

1 long-term care ombuds program to meet the immediate needs of
2 individuals by advocating on behalf of and protecting residents of
3 long-term care facilities from abuse, neglect, and exploitation.

4 (13) Within existing resources, the department of commerce shall
5 consult with key crime victim services stakeholders to inform
6 decisions about the funding distribution for federal fiscal years
7 2017-2019 victims of crime act victim assistance funding. These
8 stakeholders must include, at a minimum, children's advocacy centers
9 of Washington, Washington association of prosecuting attorneys,
10 Washington association of sheriffs and police chiefs, Washington
11 coalition against domestic violence, Washington coalition of sexual
12 assault programs, Washington coalition of crime victim advocates, at
13 least one representative from a child health coalition, and other
14 organizations as determined by the department. Funding distribution
15 considerations shall include, but are not limited to, geographic
16 distribution of services, underserved populations, age of victims,
17 best practices, and the unique needs of individuals, families, youth,
18 and children who are victims of crime.

19 (14) \$643,000 of the liquor excise tax account—state
20 appropriation is provided solely for the department of commerce to
21 provide fiscal note assistance to local governments.

22 (15) \$300,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$300,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for the northwest agriculture
25 business center.

26 (16) \$150,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$150,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for the regulatory roadmap
29 program for the construction industry and to identify and coordinate
30 with businesses in key industry sectors to develop additional
31 regulatory roadmap tools.

32 (17) \$1,000,000 of the general fund—state appropriation for
33 fiscal year 2018 and \$1,000,000 of the general fund—state
34 appropriation for fiscal year 2019 are provided solely for the
35 Washington new Americans program. The department may require a cash
36 match or in-kind contributions to be eligible for state funding.

37 (18) \$94,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$253,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for implementation of chapter
2 268, Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

3 (19) \$60,000 of the general fund—state appropriation for fiscal
4 year 2018 is provided solely as a grant to the Hoh Indian tribe for
5 critical infrastructure, including a backup electrical power
6 generator to address recurrent power outages in the community.

7 (20) \$100,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$100,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for capacity-building grants
10 through the Latino community fund to promote and improve education,
11 economic empowerment, arts and culture, civic engagement, health, and
12 environmental justice for Latino communities in Washington state.

13 (21) \$643,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$643,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the department to contract
16 with a private, nonprofit organization to provide developmental
17 disability ombuds services.

18 (22) \$39,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$39,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for implementation of chapter
21 290, Laws of 2017 (ESHB 1109) (victims of sexual assault).

22 (23) \$1,000,000 of the home security fund—state appropriation,
23 \$2,000,000 of the Washington housing trust account—state
24 appropriation, and \$1,000,000 of the affordable housing for all
25 account—state appropriation are provided solely for the department of
26 commerce for services to homeless families and youth through the
27 Washington youth and families fund.

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

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

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

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

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

13 (25) \$140,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$140,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely to create a behavioral health
16 supportive housing administrator within the department to coordinate
17 development of effective behavioral health housing options and
18 services statewide to aide in the discharge of individuals from the
19 state psychiatric hospitals. This position must work closely with the
20 health care authority, department of social and health services, and
21 other entities to facilitate linkages among disparate behavioral
22 health community bed capacity-building efforts. This position must
23 work to integrate building infrastructure capacity with ongoing
24 supportive housing benefits, and must also develop and maintain a
25 statewide inventory of mental health community beds by bed type.

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

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

38 (27) \$990,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$1,980,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for 150 community beds for
2 individuals with a history of mental illness. Currently, there is
3 little to no housing specific to populations with these co-occurring
4 disorders; therefore, the department must consider how best to
5 develop new bed capacity in combination with individualized support
6 services, such as intensive case management and care coordination,
7 clinical supervision, mental health, substance abuse treatment, and
8 vocational and employment services. Case-management and care
9 coordination services must be provided. Increased case-managed
10 housing will help to reduce the use of jails and emergency services
11 and will help to reduce admissions to the state psychiatric
12 hospitals. The department must coordinate with the health care
13 authority and the department of social and health services in
14 establishing conditions for the awarding of these funds. The
15 department must contract with local entities to provide a mix of (a)
16 shared permanent supportive housing; (b) independent permanent
17 supportive housing; and (c) low and no-barrier housing beds for
18 people with a criminal history, substance abuse disorder, and/or
19 mental illness.

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

24 (28) \$557,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$557,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for the department to design and
27 administer the achieving a better life experience program.

28 (29) \$512,000 of the general fund—state appropriation for fiscal
29 year 2018 is provided solely to complete the requirements of the
30 agricultural labor skills and safety grant program in chapter 43.330
31 RCW. This program expires July 1, 2018.

32 (30) \$150,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$150,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for the implementation of
35 chapter 225, Laws of 2017 (SSB 5713) (skilled worker program).

36 (31) \$50,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$50,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for the wildfire project in the

1 Wenatchee valley to provide public education on wildfire and forest
2 health issues.

3 (32) \$167,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$167,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for community mobilization
6 grants to safe Yakima and safe streets of Tacoma to foster community
7 engagement through neighborhood organizing, law enforcement-community
8 partnerships, neighborhood watch programs, youth mobilization, and
9 business engagement.

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

32 (b) An eligible applicant:

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

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

37 (iii) Has an identified gang problem;

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

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

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

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

8 (c) The grant recipient must:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (35) \$102,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$75,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely for the implementation of
36 chapter 315, Laws of 2017 (ESB 5128) (incremental energy).

37 (36) \$26,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$12,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for the implementation of
2 chapter 279, Laws of 2017 (SHB 1988) (vulnerable youth guardians).

3 (37) \$468,000 of the financial services regulation account—state
4 appropriation is provided solely for the family prosperity account
5 program.

6 (38) The department is authorized to suspend issuing any
7 nonstatutorily required grants or contracts of an amount less than
8 \$1,000,000 per year.

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

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

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

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

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

27 (b) The study must include the following:

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

32 (ii) A survey of local government entities to collect relevant
33 data to include but not be limited to: The total number and amount of
34 contracts awarded in 2015 and 2016 by local governments in rural
35 counties; the number and amount of contracts awarded to businesses
36 based in rural counties in comparison to the number and amounts
37 awarded to businesses based in nonrural counties; the number of
38 contracts where a rural business responded to a request for proposal
39 but was not the minimum bidder; the percentage spread between the
40 rural business and the lowest bidder; and the number of times the

1 local government moved to the next most qualified bidder in a request
2 for qualification out of the total professional service contracts
3 awarded;

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

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

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

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

21 (41) \$40,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$40,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for the Federal Way day center
24 to provide housing and other assistance to persons over 18
25 experiencing homelessness.

26 (42) \$200,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$200,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for implementation of Second
29 Substitute Senate Bill No. 5254 (buildable lands and zoning). If this
30 bill is not enacted by July 31, 2017, the amounts provided in this
31 subsection shall lapse.

32 (43) \$700,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$600,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for staff and upgrades to the
35 homeless management information system.

36 (44) \$50,000 of the general fund—state appropriation for fiscal
37 year 2018 is provided solely for the department to conduct a study on
38 the current state of data center industry in Washington and whether
39 changes to existing state policies would result in additional

1 investment and job creation in Washington as well as advance the
2 development of the state's technology ecosystems. The study is due to
3 the appropriate committees of the legislature by December 1, 2017.

4 (45) \$500,000 of the general fund—state appropriation for 2018 is
5 provided solely for the department to formulate a statewide tourism
6 marketing plan in collaboration with a nonprofit statewide tourism
7 organization as provided in Substitute Senate Bill No. 5251.

8 (46) \$80,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$80,000 of the general fund—state appropriation for
10 fiscal year 2019 is provided solely as a grant to Klickitat county
11 for a land use planner to process a backlog of permits that have not
12 been processed by the Columbia river gorge commission due to lack of
13 funds.

14 (47) \$75,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided solely for a grant to the city of Yakima to
16 establish a gang prevention pilot program. The pilot program shall be
17 modeled after the Denver gang reduction initiative program, with the
18 goal of creating a sustainable organized response to gang activity
19 utilizing evidence-based principles.

20 (48) \$387,000 of the general fund—state appropriation for fiscal
21 year 2019 is provided solely for the department to create the
22 governor's rural broadband office. The purpose of the governor's
23 rural broadband office is to provide grants to local governments and
24 federally recognized tribes to build and deploy infrastructure to
25 provide high-speed, open-access broadband service to rural unserved
26 and underserved communities to improve economic development, public
27 safety, and access to education.

28 (a) The office must, at a minimum:

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

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

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

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

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

11 (49)(a) \$500,000 of the general fund—state appropriation for
12 fiscal year 2019 is provided solely for a contract to study and
13 report on independent contractor employment in Washington state. The
14 contractor report shall be provided to the department by November 1,
15 2018. The report must include information on the needs of workers
16 earning income as independent contractors including sources of
17 income, the amount of their income derived from independent work, and
18 a discussion of the benefits provided to such workers.

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

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

24 (ii) Representatives of labor unions;

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

27 (iv) Individuals from business and industry.

28 (50) \$240,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely for the implementation of Substitute
30 House Bill No. 2367 (child care collaboration task force). If the
31 bill is not enacted by June 30, 2018, the amount provided in this
32 subsection shall lapse.

33 (51) \$174,000 of the general fund—state appropriation for fiscal
34 year 2019 is provided solely for the implementation of Third
35 Substitute House Bill No. 2382 (surplus public property). If the bill
36 is not enacted by June 30, 2018, the amount provided in this
37 subsection shall lapse.

38 (52) \$114,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the implementation of Engrossed

1 Second Substitute House Bill No. 2396 (child care). If the bill is
2 not enacted by June 30, 2018, the amount provided in this subsection
3 shall lapse.

4 (53) \$31,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely for the implementation of Substitute
6 House Bill No. 2667 (essential needs/ABD programs). If the bill is
7 not enacted by June 30, 2018, the amount provided in this subsection
8 shall lapse.

9 (54)(a) \$400,000 of the general fund—state appropriation for
10 fiscal year 2019 and \$400,000 of the general fund—local appropriation
11 are provided solely for the department to contract with a consultant
12 to study the current and ongoing impacts of the SeaTac international
13 airport. The general fund—state funding provided in this subsection
14 serves as a state match and may not be spent unless \$400,000 of local
15 matching funds is transferred to the department. The department must
16 seek feedback on project scoping and consultant selection from the
17 cities listed in (b) of this subsection.

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

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

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

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

32 (d) The study must be delivered to the legislature by December 1,
33 2019.

34 (55) \$1,276,000 of the general fund—state appropriation for
35 fiscal year 2019 is provided solely for the implementation of chapter
36 16, Laws of 2017, 3rd sp.s. (E2SSB 5254).

37 (56)(a) \$150,000 of the liquor revolving account—state
38 appropriation is provided solely for the department of commerce to
39 conduct a study that analyzes counties' revenue capacity in relation

1 to their constitutional and statutory obligations. At a minimum, the
2 study must include:

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

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

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

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

12 (b) An interim report focusing on the results of (a)(i) of this
13 section must be presented to the governor and appropriate committees
14 of the legislature by or before December 31, 2018. The final report
15 must be presented to the governor and appropriate committees of the
16 legislature by or before June 30, 2019.

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

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

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

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

31 (58) \$45,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for a grant to a nonprofit organization
33 that addresses the causes and barriers of poverty and homelessness
34 with comprehensive and holistic services. The funding must be used to
35 support food bank services and a summer meals program that serves at
36 least ten different sites in the South King county region for
37 children and families.

38 (59) \$1,500,000 of the general fund—state appropriation for
39 fiscal year 2019 is provided solely for the department to contract

1 with a nonprofit organization to provide Washington state residents
2 with legal representation related to family and community safety.

3 (60) \$150,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for a small business innovation exchange
5 project to increase economic development opportunities for women,
6 minority, and veteran owned small businesses in the south King county
7 region.

8 (61) \$100,000 of the general fund—state appropriation for fiscal
9 year 2019 is provided solely for a grant to the city of Federal Way
10 for an emergency shelter to serve homeless families with children.

11 (62) \$250,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for capacity-building grants through the
13 united Indians of all tribes foundation to promote and improve
14 educational, cultural, and social services for Native American
15 communities in Washington state.

16 (63) \$66,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$147,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for the implementation of
19 Engrossed Second Substitute House Bill No. 2914 (postconsumer
20 materials). If the bill is not enacted by June 30, 2018, the amount
21 provided in this subsection shall lapse.

22 (64) \$41,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely for the implementation of Substitute
24 House Bill No. 2101 (sexual assault nurse examiners). If the bill is
25 not enacted by June 30, 2018, the amount provided in this subsection
26 shall lapse.

27 (65) \$200,000 of the general fund—state appropriation for fiscal
28 year 2019 is provided solely for a grant to a museum to assist with
29 armistice day activities in schools and other community settings to
30 celebrate the 100th anniversary of World War I and armistice day.
31 Funding must be used for a World War I America museum exhibit, new
32 curriculum, teacher training, student and classroom visits, and
33 visits from veterans and active duty military.

34 (66) \$250,000 of the general fund—state appropriation for fiscal
35 year 2019 is provided solely for the department to contract with a
36 nonprofit economic development association with members that include
37 cities, ports, and at least twenty associate development
38 organizations to study strategies and best practices for economic
39 development and job creation in rural and underserved communities.

1 The study must include strategies used successfully both in
2 Washington and in other states, including examples of how rural and
3 underserved communities have recruited technology employers and
4 increased technology jobs in their communities.

5 **Sec. 127.** 2017 3rd sp.s. c 1 s 129 (uncodified) is amended to
6 read as follows:

7 **FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL**

8	General Fund—State Appropriation (FY 2018).	((\$850,000))
9		<u>\$799,000</u>
10	General Fund—State Appropriation (FY 2019).	((\$905,000))
11		<u>\$854,000</u>
12	Lottery Administrative Account—State Appropriation.	\$50,000
13	<u>Pension Funding Stabilization Account—State</u>	
14	<u>Appropriation.</u>	<u>\$102,000</u>
15	TOTAL APPROPRIATION.	\$1,805,000

16 **Sec. 128.** 2017 3rd sp.s. c 1 s 130 (uncodified) is amended to
17 read as follows:

18 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

19	General Fund—State Appropriation (FY 2018).	((\$11,711,000))
20		<u>\$12,572,000</u>
21	General Fund—State Appropriation (FY 2019).	((\$11,956,000))
22		<u>\$12,476,000</u>
23	General Fund—Federal Appropriation.	\$39,716,000
24	General Fund—Private/Local Appropriation.	((\$501,000))
25		<u>\$843,000</u>
26	Economic Development Strategic Reserve Account—State	
27	Appropriation.	\$314,000
28	<u>Recreation Access Pass Account—State Appropriation.</u>	<u>\$75,000</u>
29	Personnel Service Fund—State Appropriation.	((\$8,882,000))
30		<u>\$8,888,000</u>
31	Higher Education Personnel Services Account—State	
32	Appropriation.	\$1,497,000
33	Performance Audits of Government Account—State	
34	Appropriation.	\$621,000
35	Statewide Information Technology System Development	
36	Revolving Account—State Appropriation.	((\$6,503,000))
37		<u>\$10,022,000</u>

1	OFM Central Services—State Appropriation.	((\$19,237,000))
2		<u>\$19,308,000</u>
3	<u>Pension Funding Stabilization Account—State</u>	
4	<u>Appropriation.</u>	<u>\$2,448,000</u>
5	TOTAL APPROPRIATION.	((\$100,938,000))
6		<u>\$108,780,000</u>

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

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

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

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

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

33 (3) \$149,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$144,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely to implement chapter 172, Laws
36 of 2017 (SHB 1741) (educator preparation data/PESB).

37 (4) \$84,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$75,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely to implement chapter 53, Laws of
2 2017 (2SHB 1120) (regulatory fairness act).

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

17 (6) \$500,000 of the general fund—state appropriation for fiscal
18 year 2018, \$131,000 of the general fund—state appropriation for
19 fiscal year 2019, and \$139,000 of the personnel service account—state
20 appropriation are provided solely for implementation of Engrossed
21 Second Substitute House Bill No. 1661 (children, youth, families
22 department). The cost allocation contract must include a
23 determination of the amount of administrative funding to be
24 transferred between appropriations in sections 223(1) and 223(2) of
25 this act to section 222(3) of this act for the new department of
26 children, youth, and families. If the bill is not enacted by July 31,
27 2017, the amounts provided in this subsection shall lapse.

28 (7) (~~(\$4,503,000)~~) \$8,022,000 of the statewide information
29 technology system development revolving account—state appropriation
30 is provided solely for readiness activities related to the One
31 Washington replacement project to modernize and improve
32 administrative systems and related business processes across state
33 government over a multi-biennia time period and this project is
34 subject to the conditions, limitations, and review provided in
35 section 724 of this act. The funding provided in this subsection is
36 for conducting business warehouse planning and system integrations
37 and contracting with a strategic partner for the design of the long-
38 term program blueprint detailing the readiness, planning, and
39 implementation activities related to this project. Legislative

1 expectation is that the strategic partner selected for this design of
2 this long-term blueprint will have proven experience in successfully
3 managing similar efforts in other states or jurisdictions and that
4 the ultimate project scope will integrate performance information and
5 provide information on discrete units of costs for state governmental
6 activities with the goal of improved management and efficiency. The
7 office of financial management will provide the needed management
8 support for this design effort and will ensure that state agencies
9 fully participate in this initial design effort, including the office
10 of chief information officer. The office of financial management will
11 provide quarterly reports to the legislative fiscal committees and
12 the legislative evaluation and accountability program committee.
13 Before submitting additional funding requests for this project, the
14 office of financial management will submit a comprehensive detailed
15 feasibility study and financial plan for the project to the
16 legislative evaluation and accountability program committee.

17 (8) \$4,000,000 of the general fund—federal appropriation is
18 provided solely for the procurement and implementation of the
19 Washington state all payer claims database project and this project
20 is subject to the conditions, limitations, and review provided in
21 section 724 of this act.

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

37 (10) The office of financial management will convene a work group
38 consisting of the department of social and health services and
39 appropriate fiscal and policy staff from the house of representatives

1 office of program research and senate committee services for the
2 purpose of reviewing language traditionally added to section 201 in
3 supplemental operating omnibus appropriations acts to allow the
4 department to transfer moneys between sections of the act and to
5 allow for moneys that are provided solely for a specified purpose to
6 be used for other than that purpose. The work group will review the
7 department's use of the language, develop options to reduce or
8 eliminate the need for this language, and explore revisions to the
9 language. The work group must also discuss alternatives to the
10 language to achieve the shared goal of balancing expenditures to
11 appropriation while preserving the legislature's ability to direct
12 policy through appropriation. Alternatives should include increased
13 use of supplemental budget decision packages, the creation of a
14 reserve fund for unanticipated expenditures, and other measures the
15 work group develops.

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

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

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

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

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

1 (d) Identify fiscal impacts of changing the state access pass to
2 each of the options identified including any combination state and
3 federal recreational access pass options; and

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

7 (13) \$76,000 of the general fund—state appropriation for fiscal
8 year 2019 is provided solely for implementation of Engrossed Second
9 Substitute House Bill No. 1851 (government contracting). If the bill
10 is not enacted by June 30, 2018, the amount provided in this
11 subsection shall lapse.

12 (14) \$291,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for implementation of Engrossed House
14 Bill No. 2759 (women's commission). If the bill is not enacted by
15 June 30, 2018, the amount provided in this subsection shall lapse.

16 (15) \$52,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$412,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided to the office of financial management
19 for staffing and support to prepare for the 2020 census.

20 (16) \$2,000,000 of the general fund—state appropriation for
21 fiscal year 2018 is provided solely to support the implementation of
22 the department of children, youth, and families. The department must
23 submit an expenditure plan to the office of financial management and
24 may expend implementation funds only after approval by the director
25 of the office of financial management.

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

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

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

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

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

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

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

7 (i) Review the current sentencing grid and recommend changes to
8 simplify the grid and increase judicial discretion, including, but
9 not limited to: Reviewing and simplifying RCW 9.94A.501, 9.94A.505,
10 9.94A.525, and 9.94A.533; reviewing and simplifying the sentencing
11 grid under RCW 9.94A.510 by reducing the number of cells in the grid
12 and creating broader sentencing ranges for lower level offenses;
13 reviewing and revising seriousness levels under RCW 9.94A.515 to
14 ensure offenses have appropriately designated seriousness levels;
15 reviewing the drug sentencing grid under RCW 9.94A.517 and 9.94A.518
16 to determine if drug offenses can be incorporated into a new or
17 revised sentencing grid; and reviewing minimum term requirements
18 under RCW 9.94A.540 to avoid inconsistencies with proposed changes to
19 the grid and other sentencing policies;

20 (ii) Review mitigating and aggravating factors under RCW
21 9.94A.535 and sentencing enhancements under RCW 9.94A.533, including
22 mandatory consecutive requirements, and recommend changes to reflect
23 current sentencing purposes and policies and case law;

24 (iii) Review fines, fees, and other legal financial obligations
25 associated with criminal convictions, including, but not limited to,
26 a review of: Fines under RCW 9.94A.550; restitution under RCW
27 9.94A.750; and legal financial obligations under RCW 9.94A.760;

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

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

38 (c) The sentencing guidelines commission shall report its
39 findings and recommendations based on the review under (a) of this

1 subsection to the governor and appropriate committees of the
2 legislature by May 1, 2019.

3 (18) \$25,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$125,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided to the education research and data
6 center within the office of financial management for the sole purpose
7 of providing an annual report on postsecondary enrollment and
8 completion of Washington students with demographic information
9 included on race, ethnicity, gender, students with disabilities,
10 English language proficiency, income level, region, and types of
11 credentials, including but not limited to in- and out-of-state public
12 and private traditional two- and four-year degree granting
13 institutions, private vocational schools, state apprenticeship
14 programs, and professional licenses. The appropriation must also be
15 used to respond to data requests from researchers outside of state
16 agencies and to develop a plan for improving data governance for more
17 accurate and timely responses.

18 **Sec. 129.** 2017 3rd sp.s. c 1 s 131 (uncodified) is amended to
19 read as follows:

20 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

21 Administrative Hearings Revolving Account—State
22 Appropriation. ((\$38,898,000))
23 \$41,135,000

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

31 **Sec. 130.** 2017 3rd sp.s. c 1 s 132 (uncodified) is amended to
32 read as follows:

33 **FOR THE WASHINGTON STATE LOTTERY**

34 Lottery Administrative Account—State
35 Appropriation. ((\$28,028,000))
36 \$28,050,000

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

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

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

10 NEW SECTION. **Sec. 131.** A new section is added to 2017 3rd sp.s.
11 c 1 (uncodified) to read as follows:

12 **FOR THE GAMBLING COMMISSION**

13 Gambling Revolving Account—State. \$100,000

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

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

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

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

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

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

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

34 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

35 General Fund—State Appropriation (FY 2018). (~~(\$258,000)~~)
36 \$255,000

37 General Fund—State Appropriation (FY 2019). (~~(\$268,000)~~)

1 \$255,000

2 Pension Funding Stabilization Account—State

3 Appropriation. \$26,000

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

5 \$536,000

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

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

9 General Fund—State Appropriation (FY 2018). (~~(\$268,000)~~)

10 \$269,000

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

12 \$242,000

13 Pension Funding Stabilization Account—State

14 Appropriation. \$26,000

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

16 \$537,000

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

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

20 Department of Retirement Systems Expense

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

22 \$57,921,000

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

25 (1) \$124,000 of the department of retirement systems expense
26 account—state appropriation is provided solely to implement
27 Substitute House Bill No. 2786 (LEOFF/DOC, DSHS firefighters). If the
28 bill is not enacted by July 1, 2018, the amount provided in this
29 subsection shall lapse.

30 (2) \$107,000 of the department of retirement systems expense
31 account—state appropriation is provided solely to implement House
32 Bill No. 1560 (retirement system defaults). If the bill is not
33 enacted by July 1, 2018, the amount provided in this subsection shall
34 lapse.

35 (3) \$255,000 of the department of retirement systems expense
36 account—state appropriation is provided solely to implement
37 Substitute House Bill No. 1558 (PSERS/offender nursing care). If the

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

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

5 **FOR THE DEPARTMENT OF REVENUE**

6	General Fund—State Appropriation (FY 2018).	((\$140,954,000))
7		<u>\$129,868,000</u>
8	General Fund—State Appropriation (FY 2019).	((\$138,496,000))
9		<u>\$130,864,000</u>
10	Timber Tax Distribution Account—State	
11	Appropriation.	((\$6,772,000))
12		<u>\$6,773,000</u>
13	Waste Reduction/Recycling/Litter Control—State	
14	Appropriation.	\$157,000
15	State Toxics Control Account—State Appropriation.	\$112,000
16	Business License Account—State Appropriation.	((\$28,211,000))
17		<u>\$22,907,000</u>
18	Performance Audits of Government Account—State	
19	Appropriation.	\$4,640,000
20	<u>Pension Funding Stabilization Account—State</u>	
21	<u>Appropriation.</u>	<u>\$13,488,000</u>
22	Financial Services Regulation Account—State	
23	Appropriations.	\$5,000,000
24	TOTAL APPROPRIATION.	((\$324,342,000))
25		<u>\$313,809,000</u>

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

28 (1) \$5,628,000 of the general fund—state appropriation for fiscal
29 year 2018, \$5,628,000 of the general fund—state appropriation for
30 fiscal year 2019, and \$11,257,000 of the business license account—
31 state appropriation are provided solely for the taxpayer legacy
32 system replacement project.

33 ((+3)) (2) Prior to the suspension of the streamlined sales tax
34 mitigation program established under chapter 82.14 RCW, the
35 department must analyze if and when expected revenue gains from the
36 provisions of sections 201 through 213 of House Bill No. 2163 will be
37 equal to or exceed revenue losses to local taxing districts, as
38 measured under the streamlined sales tax mitigation system from the

1 switch to destination sourcing of sales tax. The analysis must
2 include a comprehensive review of tax, wage, census, and economic
3 data. The review must consider online sales tax and streamlined sales
4 tax mitigation trends for areas with rich concentrations of
5 warehousing distribution and manufacturing centers. The department
6 must provide a report and recommendations to the governor and
7 appropriate committees of the legislature by November 1, 2018. If
8 House Bill No. 2163 (revenue) is not enacted by July 31, 2017, this
9 subsection is void.

10 ~~((4))~~ (3) \$8,028,000 of the general fund—state appropriation
11 for fiscal year 2018 and \$6,304,000 of the general fund—state
12 appropriation for fiscal year 2019 are provided solely for the
13 implementation of House Bill No. 2163 (revenue). If the bill is not
14 enacted by July 31, 2017, the amounts provided in this subsection
15 shall lapse.

16 (4) \$228,000 of the general fund—state appropriation for fiscal
17 year 2019 is provided solely for the implementation of Engrossed
18 Second Substitute House Bill No. 2396 (child care). If the bill is
19 not enacted by June 30, 2018, the amount provided in this subsection
20 shall lapse.

21 (5) \$1,250,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for the implementation of House Bill No.
23 2967 (capital gains tax/property tax). If the bill is not enacted by
24 June 30, 2018, the amount provided in this subsection shall lapse.

25 (6) \$1,745,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$2,019,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the implementation of
28 chapter 209, Laws of 2017 (EHB 2005).

29 (7) \$72,000 of the general fund—state appropriation for fiscal
30 year 2019 is provided solely for the implementation of Engrossed
31 Second Substitute House Bill No. 2718 (civil forfeiture proceedings).
32 If the bill is not enacted by June 30, 2018, the amount provided in
33 this subsection shall lapse.

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

36 **FOR THE BOARD OF TAX APPEALS**

37 General Fund—State Appropriation (FY 2018). ~~(\$1,409,000)~~
38 \$1,387,000

1 **FOR THE LIQUOR AND CANNABIS BOARD**

2	Dedicated Marijuana Fund—State Appropriation	
3	(FY 2018).	((\$10,400,000))
4		<u>\$10,382,000</u>
5	Dedicated Marijuana Fund—State Appropriation	
6	(FY 2019).	((\$9,596,000))
7		<u>\$10,620,000</u>
8	Liquor Revolving Account—State Appropriation.	((\$69,578,000))
9		<u>\$69,420,000</u>
10	General Fund—Federal Appropriation.	\$2,912,000
11	General Fund—State Appropriation (FY 2018).	((\$372,000))
12		<u>\$334,000</u>
13	General Fund—State Appropriation (FY 2019).	((\$393,000))
14		<u>\$353,000</u>
15	General Fund—Private/Local Appropriation.	\$50,000
16	<u>Pension Funding Stabilization Account—State</u>	
17	<u>Appropriation.</u>	<u>\$78,000</u>
18	TOTAL APPROPRIATION.	((\$93,301,000))
19		<u>\$94,149,000</u>

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

22 (1) \$11,000 of the liquor revolving account—state appropriation
23 is provided solely for the implementation of chapter 96, Laws of 2017
24 (E2SHB 1351) (sale of spirits, beer and wine).

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

29 (3) \$1,420,000 of the dedicated marijuana account—state
30 appropriation for fiscal year 2018 and \$885,000 of the dedicated
31 marijuana account—state appropriation for fiscal year 2019 are
32 provided solely for the marijuana traceability system used to track
33 the production, processing, and retail sale of each marijuana product
34 as it moves through the regulated recreational and medical
35 marketplace. The board may accept a proposal for a traceability
36 system that is less than the amounts appropriated within this section
37 if the proposal meets the board's requirements. The traceability
38 system is subject to the conditions, limitations, and review provided
39 in section 724 (~~of this act~~), chapter 1, Laws of 2017 3rd sp. sess.

1 (4) \$93,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$70,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely to implement and enforce vapor
4 products licensing, packaging, and sales regulations pursuant to
5 chapter 38, Laws of 2016 (ESSB 6328).

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

13 (6) Within the amounts appropriated within this section, the
14 board shall, in consultation with the department of revenue, study
15 the benefits and costs of restructuring the distillery licensing and
16 fee structure as proposed in House Bill No. 2609 (distilled spirits
17 production), including benefits resulting from the increased use of
18 Washington-grown materials in spirits production in the state. As
19 part of the study, the board shall convene meetings in at least three
20 locations in the state at which stakeholders and the public have an
21 opportunity to provide input on the proposal. The board shall submit
22 a report to the appropriate committees of the legislature by December
23 1, 2018, reporting the study's findings and, if the board deems
24 appropriate, any recommendations.

25 **Sec. 140.** 2017 3rd sp.s. c 1 s 142 (uncodified) is amended to
26 read as follows:

27 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

28	General Fund—Private/Local Appropriation.	\$16,464,000
29	Public Service Revolving Account—State	
30	Appropriation.	((\$40,248,000))
31		<u>\$40,240,000</u>
32	Pipeline Safety Account—State Appropriation.	((\$3,412,000))
33		<u>\$3,411,000</u>
34	Pipeline Safety Account—Federal Appropriation.	\$3,072,000
35	TOTAL APPROPRIATION.	((\$63,196,000))
36		<u>\$63,187,000</u>

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

1 (1) By December 31, 2017, the commission shall report findings
 2 and recommendations to the energy committees of the legislature on
 3 best practices and policies for electric utilities to develop
 4 distributed energy resource plans, applying the traditional utility
 5 regulatory principles of fairness, efficiency, reliability, and
 6 revenue stability. The report must address: A review of policies and
 7 practices for distributed energy resource planning in other states,
 8 an inventory of current utility distribution planning practices and
 9 capabilities in Washington, and recommendations for using distributed
 10 energy resource planning to inform utility integrated resource plans.

11 (2) \$2,093,000 of the public service revolving account—state
 12 appropriation is provided solely for the commission to cover the
 13 costs of moving its offices to a new location, in cooperation with
 14 the department of enterprise services.

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

22 **Sec. 141.** 2017 3rd sp.s. c 1 s 143 (uncodified) is amended to
 23 read as follows:

24 **FOR THE MILITARY DEPARTMENT**

25	General Fund—State Appropriation (FY 2018).	((\$7,676,000))
26		<u>\$7,015,000</u>
27	General Fund—State Appropriation (FY 2019).	((\$7,910,000))
28		<u>\$8,828,000</u>
29	General Fund—Federal Appropriation.	((\$118,521,000))
30		<u>\$117,248,000</u>
31	Enhanced 911 Account—State Appropriation.	((\$51,857,000))
32		<u>\$53,470,000</u>
33	Disaster Response Account—State Appropriation.	((\$29,433,000))
34		<u>\$42,249,000</u>
35	Disaster Response Account—Federal Appropriation.	((\$81,560,000))
36		<u>\$118,587,000</u>
37	Military Department Rent and Lease Account—State	
38	Appropriation.	\$615,000

1 Worker and Community Right-to-Know Account—State
2 Appropriation. \$2,339,000
3 Oil Spill Prevention Account—State Appropriation. \$1,028,000
4 Pension Funding Stabilization Account—State
5 Appropriation. \$1,243,000
6 TOTAL APPROPRIATION. ((~~\$300,939,000~~))
7 \$352,622,000

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

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

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

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

27 (4) ((~~\$5,389,000~~)) \$1,582,000 of the general fund—state
28 appropriation for fiscal year 2019 and \$8,007,000 of the enhanced 911
29 account—state appropriation ((~~is~~)) are provided solely for
30 transitioning to an internet protocol based next generation 911
31 network and increased network costs during the transition and
32 hardware required for the new system. The department's activities and
33 procurement is a major information technology project subject to
34 oversight and review by the office of the chief information officer.

35 (5) \$11,000,000 of the enhanced 911 account—state appropriation
36 is provided solely for financial assistance to counties.

37 (6) \$2,000,000 of the enhanced 911 account—state appropriation is
38 provided solely for one-time grants to small and medium-sized, rural
39 counties for replacement of equipment necessary to maintain 911

1 service after the state's transition to a next generation 911 system,
2 including reimbursement of replacement and upgrades that have already
3 been made.

4 (7) \$784,000 of the disaster response account—state appropriation
5 is provided solely for fire suppression training (~~(and)~~), equipment,
6 and supporting costs to national guard soldiers and airmen.

7 (8) \$38,000 of the enhanced 911 account—state appropriation is
8 provided solely for implementation of chapter 295, Laws of 2017 (SHB
9 1258) (first responders/disability).

10 (9) \$372,000 of the disaster response account—state appropriation
11 is provided solely for implementation of chapter 312, Laws of 2017
12 (SSB 5046) (language of public notices).

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

17 (11) (~~(\$951,000)~~) \$421,000 of the disaster response account—state
18 appropriation is provided solely to Okanogan and Ferry counties to
19 continue to address deficiencies within their communications
20 infrastructure for 911 dispatch. Funding will be used to replace
21 failing radio dispatching hardware within 911 dispatch centers; build
22 interoperable communications between each county's dispatch center
23 such that each can serve as a back-up to the other; and build upon
24 the existing wireless microwave network for 911 calls, dispatch
25 centers, and first responder radio operations.

26 **Sec. 142.** 2017 3rd sp.s. c 1 s 144 (uncodified) is amended to
27 read as follows:

28 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

29	General Fund—State Appropriation (FY 2018).	((\$2,076,000))
30		<u>\$1,960,000</u>
31	General Fund—State Appropriation (FY 2019).	((\$2,251,000))
32		<u>\$2,137,000</u>
33	Higher Education Personnel Services Account—State	
34	Appropriation.	\$1,327,000
35	Personnel Service Account—State Appropriation.	\$4,032,000
36	<u>Pension Funding Stabilization Account—State</u>	
37	<u>Appropriation.</u>	<u>\$228,000</u>
38	TOTAL APPROPRIATION.	((\$9,686,000))

1 \$9,684,000

2 **Sec. 143.** 2017 3rd sp.s. c 1 s 145 (uncodified) is amended to
3 read as follows:

4 **FOR THE BOARD OF ACCOUNTANCY**

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

8 **Sec. 144.** 2017 3rd sp.s. c 1 s 147 (uncodified) is amended to
9 read as follows:

10 **FOR THE DEPARTMENT OF ENTERPRISE SERVICES**

11 General Fund—State Appropriation (FY 2018). (~~(\$4,368,000)~~)
12 \$4,364,000
13 General Fund—State Appropriation (FY 2019). (~~(\$4,405,000)~~)
14 \$4,381,000
15 General Fund—Private/Local Appropriation. \$102,000
16 Building Code Council Account—State Appropriation. . . (~~(\$1,056,000)~~)
17 \$1,481,000
18 TOTAL APPROPRIATION. (~~(\$9,931,000)~~)
19 \$10,328,000

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

22 (1) (~~(\$4,031,000)~~) \$3,994,000 of the general fund—state
23 appropriation for fiscal year 2018 and (~~(\$4,082,000)~~) \$3,974,000 of
24 the general fund—state appropriation for fiscal year 2019 are
25 provided solely for the payment of facilities and services charges,
26 utilities and contracts charges, public and historic facilities
27 charges, and capital projects surcharges allocable to the senate,
28 house of representatives, statute law committee, legislative support
29 services, joint legislative systems committee, and office of support
30 services. The department shall allocate charges attributable to these
31 agencies among the affected revolving funds. The department shall
32 maintain an interagency agreement with these agencies to establish
33 performance standards, prioritization of preservation and capital
34 improvement projects, and quality assurance provisions for the
35 delivery of services under this subsection. The legislative agencies
36 named in this subsection shall continue to enjoy all of the same

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (7) \$349,000 of the general fund—state appropriation is provided
15 solely for the state building code council.

16 **Sec. 145.** 2017 3rd sp.s. c 1 s 149 (uncodified) is amended to
17 read as follows:

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

19	General Fund—State Appropriation (FY 2018).	((\$1,607,000))
20		<u>\$1,570,000</u>
21	General Fund—State Appropriation (FY 2019).	((\$1,633,000))
22		<u>\$1,643,000</u>
23	General Fund—Federal Appropriation.	\$2,228,000
24	General Fund—Private/Local Appropriation.	\$264,000
25	<u>Pension Funding Stabilization Account—State</u>	
26	<u>Appropriation.</u>	<u>\$136,000</u>
27	TOTAL APPROPRIATION.	((\$5,732,000))
28		<u>\$5,841,000</u>

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

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

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

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

7 **Sec. 146.** 2017 3rd sp.s. c 1 s 150 (uncodified) is amended to
8 read as follows:

9 **FOR THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY**

10	General Fund—State Appropriation (FY 2018).	\$187,000
11	General Fund—State Appropriation (FY 2019).	\$188,000
12	Consolidated Technology Services Revolving	
13	Account—State Appropriation	((\$19,136,000))
14		<u>\$18,578,000</u>
15	TOTAL APPROPRIATION.	((\$19,511,000))
16		<u>\$18,953,000</u>

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

19 (1) \$7,263,000 of the consolidated technology services revolving
20 account—state appropriation is for the office of the chief
21 information officer.

22 (2) (~~(\$9,443,000)~~) \$10,668,000 of the consolidated technology
23 services revolving account—state appropriation is for the office of
24 cyber security.

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

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

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

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

1 consolidated technology services agency must not withhold or reduce
2 desktop support services provided to small agencies that had been
3 receiving desktop support services and had not previously received
4 appropriations provided specifically for the purpose of reimbursing
5 the consolidated technology services agency for those services.

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

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

22 (7) \$500,000 of the consolidated technology services revolving
23 account—state appropriation is provided solely for the agency, in
24 collaboration with the office of financial management, to conduct a
25 zero-based budget review of the agency's services. Information and
26 analysis submitted by the department for the zero-based review under
27 this subsection shall include:

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

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

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

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

- 1 (e) An analysis of the major costs and benefits of operating each
2 program or service and the rationale for specific expenditure and
3 staffing levels;
- 4 (f) An analysis estimating each program's or service's
5 administrative and other overhead costs;
- 6 (g) An analysis of the levels of services provided;
- 7 (h) An analysis estimating the amount of funds or benefits that
8 actually reach the intended recipients; and
- 9 (i) An analysis and recommendations for alternative service
10 delivery models that would save money or improve service quality.
- 11 ~~((+9))~~ (8) Within existing resources, the agency must provide
12 oversight of state procurement and contracting for information
13 technology goods and services by the department of enterprise
14 services.
- 15 (9) Within existing resources, the agency must host, administer,
16 and support the state employee directory in an online format to
17 provide public employee contact information.

(End of part)

PART II
HUMAN SERVICES

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

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25	General Fund—State Appropriation (FY 2018).	((\$348,992,000))
26		<u>\$346,043,000</u>
27	General Fund—Federal Appropriation.	((\$265,365,000))
28		<u>\$279,194,000</u>
29	General Fund—Private/Local Appropriation.	\$1,477,000
30	Domestic Violence Prevention Account—State	
31	Appropriation.	\$1,002,000
32	<u>Pension Funding Stabilization Account—</u>	
33	<u>State Appropriation.</u>	<u>\$9,132,000</u>
34	TOTAL APPROPRIATION.	((\$616,836,000))
35		<u>\$636,848,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30	FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—JUVENILE	
31	REHABILITATION PROGRAM	
32	General Fund—State Appropriation (FY 2018).	((\$95,885,000))
33		<u>\$91,281,000</u>
34	General Fund—State Appropriation (FY 2019).	((\$97,123,000))
35		<u>\$94,061,000</u>
36	General Fund—Federal Appropriation.	\$3,464,000
37	General Fund—Private/Local Appropriation.	\$1,985,000
38	Washington Auto Theft Prevention Authority Account—	

1	State Appropriation.	\$196,000
2	<u>Pension Funding Stabilization Account—State</u>	
3	<u>Appropriation.</u>	<u>\$8,721,000</u>
4	TOTAL APPROPRIATION.	((\$198,653,000))
5		<u>\$199,708,000</u>

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

8 (1) \$331,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$331,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for deposit in the county
11 criminal justice assistance account for costs to the criminal justice
12 system associated with the implementation of chapter 338, Laws of
13 1997 (juvenile code revisions). The amounts provided in this
14 subsection are intended to provide funding for county adult court
15 costs associated with the implementation of chapter 338, Laws of 1997
16 and shall be distributed in accordance with RCW 82.14.310.

17 (2) \$2,841,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$2,841,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for grants to county juvenile
20 courts for the following juvenile justice programs identified by the
21 Washington state institute for public policy (institute) in its
22 report: "Inventory of Evidence-based, Research-based, and Promising
23 Practices for Prevention and Intervention Services for Children and
24 Juveniles in the Child Welfare, Juvenile Justice, and Mental Health
25 Systems." Additional funding for this purpose is provided through an
26 interagency agreement with the health care authority. County juvenile
27 courts shall apply to the juvenile rehabilitation administration for
28 funding for program-specific participation and the administration
29 shall provide grants to the courts consistent with the per-
30 participant treatment costs identified by the institute.

31 (3) \$1,537,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$1,537,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for expansion of the following
34 juvenile justice treatments and therapies in juvenile rehabilitation
35 administration programs identified by the Washington state institute
36 for public policy in its report: "Inventory of Evidence-based,
37 Research-based, and Promising Practices for Prevention and
38 Intervention Services for Children and Juveniles in the Child
39 Welfare, Juvenile Justice, and Mental Health Systems." The

1 administration may concentrate delivery of these treatments and
2 therapies at a limited number of programs to deliver the treatments
3 in a cost-effective manner.

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

13 (b) The juvenile rehabilitation administration shall administer a
14 block grant to county juvenile courts for the purpose of serving
15 youth as defined in RCW 13.40.510(4)(a) in the county juvenile
16 justice system. Funds dedicated to the block grant include:
17 Consolidated juvenile service (CJS) funds, community juvenile
18 accountability act (CJAA) grants, chemical dependency/mental health
19 disposition alternative (CDDA), and suspended disposition alternative
20 (SDA). The juvenile rehabilitation administration shall follow the
21 following formula and must prioritize evidence-based programs and
22 disposition alternatives and take into account juvenile courts
23 program-eligible youth in conjunction with the number of youth served
24 in each approved evidence-based program or disposition alternative:
25 (i) Thirty-seven and one-half percent for the at-risk population of
26 youth ten to seventeen years old; (ii) fifteen percent for the
27 assessment of low, moderate, and high-risk youth; (iii) twenty-five
28 percent for evidence-based program participation; (iv) seventeen and
29 one-half percent for minority populations; (v) three percent for the
30 chemical dependency and mental health disposition alternative; and
31 (vi) two percent for the suspended dispositional alternatives.
32 Funding for the special sex offender disposition alternative (SSODA)
33 shall not be included in the block grant, but allocated on the
34 average daily population in juvenile courts. Funding for the
35 evidence-based expansion grants shall be excluded from the block
36 grant formula. Funds may be used for promising practices when
37 approved by the juvenile rehabilitation administration and juvenile
38 courts, through the community juvenile accountability act committee,
39 based on the criteria established in consultation with Washington
40 state institute for public policy and the juvenile courts.

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

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

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

1 (5) \$98,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$98,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely to the juvenile block grant
4 funding formula oversight committee described in subsection (4)(d) of
5 this section to contract with research entities to: (a) Assist
6 juvenile justice programs identified as promising practices or
7 research-based in undergoing the research necessary to demonstrate
8 that the program is evidence-based; and (b) establish an annual,
9 county-level evaluation of existing evidence-based juvenile justice
10 programs.

11 (6) \$557,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$557,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for funding of the teamchild
14 project.

15 (7) \$283,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$283,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for the juvenile detention
18 alternatives initiative.

19 (8) \$500,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$500,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for a grant program focused on
22 criminal street gang prevention and intervention. The juvenile
23 rehabilitation administration may award grants under this subsection.
24 The juvenile rehabilitation administration shall give priority to
25 applicants who have demonstrated the greatest problems with criminal
26 street gangs. Applicants composed of, at a minimum, one or more local
27 governmental entities and one or more nonprofit, nongovernmental
28 organizations that have a documented history of creating and
29 administering effective criminal street gang prevention and
30 intervention programs may apply for funding under this subsection.
31 Each entity receiving funds must report to the juvenile
32 rehabilitation administration on the number and types of youth
33 served, the services provided, and the impact of those services on
34 the youth and the community.

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

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

15 (11) \$71,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$212,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for housing services to clients
18 releasing from incarceration into the community.

19 (12) \$75,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for implementation of Substitute House
21 Bill No. 2907 (juvenile rehabilitation confinement). If the bill is
22 not enacted by June 30, 2018, the amount provided in this subsection
23 shall lapse.

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

26 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—MENTAL HEALTH**
27 **PROGRAM**

28 (1) COMMUNITY SERVICES/BEHAVIORAL HEALTH ORGANIZATIONS
29 General Fund—State Appropriation (FY 2018). ((~~\$391,457,000~~))
30 \$381,760,000
31 ((~~General Fund—State Appropriation (FY 2019). \$409,108,000~~))
32 General Fund—Federal Appropriation. ((~~\$1,021,705,000~~))
33 \$481,439,000
34 General Fund—Private/Local Appropriation. ((~~\$17,864,000~~))
35 \$8,932,000
36 Dedicated Marijuana Account—State Appropriation
37 (FY 2018). \$3,684,000
38 ((~~Dedicated Marijuana Account—State Appropriation~~

1	(FY 2019)	\$3,684,000)
2	<u>Pension Funding Stabilization Account—State</u>	
3	<u>Appropriation</u>	\$39,000
4	TOTAL APPROPRIATION.	((\$1,847,502,000))
5		<u>\$875,854,000</u>

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

8 (a) For the purposes of this subsection, amounts provided for
9 behavioral health organizations shall also be available for the
10 health care authority to contract with entities that assume the
11 responsibilities of behavioral health organizations in regions in
12 which the health care authority is purchasing medical and behavioral
13 health services through fully integrated contracts pursuant to RCW
14 71.24.380.

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

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

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

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

20 (~~f) — \$15,862,000~~) \$11,405,000 of the general fund—state
21 appropriation for fiscal year 2018 is provided solely to assist
22 behavioral health organizations with the costs of providing services
23 to medicaid clients receiving services in psychiatric facilities
24 classified as institutions of mental diseases. The department must
25 distribute these amounts proportionate to the number of bed days for
26 medicaid clients in institutions for mental diseases that were
27 excluded from behavioral health organization fiscal year 2018
28 capitation rates because they exceeded the amounts allowed under
29 federal regulations. The department must also use these amounts to
30 directly pay for costs that are ineligible for medicaid reimbursement
31 in institutions of mental disease facilities for American Indian and
32 Alaska Natives who opt to receive behavioral health services on a fee
33 for service basis. The amounts used for these individuals must be
34 reduced from the allocation of the behavioral health organization
35 where the individual resides. If a behavioral health organization
36 receives more funding through this subsection than is needed to pay
37 for the cost of their medicaid clients in institutions for mental
38 diseases, they must use the remainder of the amounts to provide other
39 services not covered under the medicaid program. The department must

1 apply for a waiver from the center for medicaid and medicare services
2 to allow for the full cost of stays in institutions of mental
3 diseases to be included in fiscal year 2019 behavioral health
4 organization capitation rates. The department may tailor the fiscal
5 year 2019 waiver to specific populations for which the center for
6 medicaid and medicare services has indicated they are likely to
7 approve and work to further expand the waiver to other populations in
8 fiscal year 2020. The department must submit a report on the status
9 of the waiver to the office of financial management and the
10 appropriate committees of the legislature by December 1, 2017.

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

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

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

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

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

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

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

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

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

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

34 ~~((+l))~~ (k) \$2,291,000 of the general fund—state appropriation
35 for fiscal year 2018 ~~((and \$2,291,000 of the general fund—state~~
36 ~~appropriation for fiscal year 2019 are))~~ is provided solely for
37 mental health services for mentally ill offenders while confined in a
38 county or city jail and for facilitating access to programs that
39 offer mental health services upon release from confinement. The

1 department must collect information from the behavioral health
2 organizations on their plan for using these funds, the numbers of
3 individuals served, and the types of services provided and submit a
4 report to the office of financial management and the appropriate
5 fiscal committees of the legislature by December 1st of each year of
6 the biennium.

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

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

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

1 harmless payments resulting from the rate increase. The department
2 shall prioritize increases for hospitals not currently paid based on
3 provider specific costs using a similar methodology used to set rate
4 for existing inpatient facilities and the latest available cost
5 report information. Rate increases for providers must be set so as
6 not to exceed the amounts provided within this subsection. The rate
7 increase related to nonmedicaid clients must be done to maintain the
8 provider at the same percentage as currently required under WAC
9 182-550-4800.

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

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

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

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

29 ~~((t))~~ (r) The number of beds allocated for use by behavioral
30 health organizations at eastern state hospital shall be 192 per day.
31 The number of nonforensic beds allocated for use by behavioral health
32 organizations at western state hospital shall be 557 per day. In
33 fiscal year 2019, the department must reduce the number of beds
34 allocated for use by behavioral health organizations at western state
35 hospital by 30 beds to allow for the repurposing of a civil ward at
36 western state hospital to provide forensic services. The contracted
37 beds provided under ~~((q))~~ (p) of this subsection shall be allocated
38 to the behavioral health organizations in lieu of beds at the state
39 hospitals and be incorporated in their allocation of state hospital

1 patient days of care for the purposes of calculating reimbursements
2 pursuant to RCW 71.24.310. It is the intent of the legislature to
3 continue the policy of expanding community based alternatives for
4 long term civil commitment services that allow for state hospital
5 beds to be prioritized for forensic patients.

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

35 ~~((+v))~~ (t) \$200,000 of the general fund—state appropriation for
36 fiscal year 2018 ~~((and \$1,296,000 of the general fund—state~~
37 ~~appropriation for fiscal year 2019 are))~~ is provided solely for
38 clubhouse programs. ~~((Of this amount, \$400,000 must be used for~~
39 ~~support of the Spokane clubhouse program and the remaining funds must~~

1 ~~be used for support of new clubhouse programs.))~~ The department must
2 develop options and cost estimates for implementation of clubhouse
3 programs statewide through a medicaid state plan amendment or a
4 medicaid waiver and submit a report to the office of financial
5 management and the appropriate committees of the legislature by
6 December 1, 2018.

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

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

29 (w) No more than \$6,464,000 of the general fund—federal
30 appropriation may be expended for supported housing and employment
31 services described in initiative 3a and 3b of the medicaid
32 transformation demonstration waiver under healthier Washington. Under
33 this initiative, the department and the health care authority shall
34 ensure that allowable and necessary services are provided to eligible
35 clients as identified by the department or its providers or third
36 party administrator. The department and the authority in consultation
37 with the medicaid forecast work group, shall ensure that reasonable
38 reimbursements are established for services deemed necessary within
39 an identified limit per individual. The department shall not increase

1 general fund—state expenditures under this initiative. The secretary
 2 in collaboration with the director of the authority shall report to
 3 the joint select committee on health care oversight no less than
 4 quarterly on financial and health outcomes. The secretary in
 5 cooperation with the director shall also report to the fiscal
 6 committees of the legislature all of the expenditures of this
 7 subsection and shall provide such fiscal data in the time, manner,
 8 and form requested by the legislative fiscal committees.

9 (2) INSTITUTIONAL SERVICES

10	General Fund—State Appropriation (FY 2018).	((\$286,936,000))
11		<u>\$330,214,000</u>
12	General Fund—State Appropriation (FY 2019).	((\$277,823,000))
13		<u>\$271,907,000</u>
14	General Fund—Federal Appropriation.	((\$148,093,000))
15		<u>\$181,895,000</u>
16	General Fund—Private/Local Appropriation.	((\$52,630,000))
17		<u>\$61,282,000</u>
18	<u>Pension Funding Stabilization Account—State</u>	
19	<u>Appropriation.</u>	<u>\$34,746,000</u>
20	TOTAL APPROPRIATION.	((\$765,482,000))
21		<u>\$880,044,000</u>

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

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

28 (b) \$311,000 of the general fund—state appropriation for fiscal
 29 year 2018 and \$310,000 of the general fund—state appropriation for
 30 fiscal year 2019 are provided solely for a community partnership
 31 between western state hospital and the city of Lakewood to support
 32 community policing efforts in the Lakewood community surrounding
 33 western state hospital. The amounts provided in this subsection
 34 (2)(b) are for the salaries, benefits, supplies, and equipment for
 35 one full-time investigator, one full-time police officer, and one
 36 full-time community service officer at the city of Lakewood. The
 37 department must collect data from the city of Lakewood on the use of
 38 the funds and the number of calls responded to by the community
 39 policing program and submit a report with this information to the

1 office of financial management and the appropriate fiscal committees
2 of the legislature each December of the fiscal biennium.

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

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

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

33 (f) (~~(\$3,261,000))~~ \$3,928,000 of the general fund—state
34 appropriation for fiscal year 2018 and (~~(\$3,261,000))~~ \$4,249,000 of
35 the general fund—state appropriation for fiscal year 2019 are
36 provided solely to maintain and further increase implementation of
37 efforts to improve the timeliness of competency evaluation services
38 for individuals who are in local jails pursuant to chapter 5, Laws of
39 2015 (SSB 5889) (timeliness of competency treatment and evaluation

1 services). This funding must be used solely to maintain increases in
2 the number of staff providing competency evaluation services.

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

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

19 Changes of more than ten percent in any area of the spending plan
20 must be submitted to the office of financial management for approval.
21 The department must submit a financial analysis to the office of
22 financial management and the appropriate committees of the
23 legislature which compares current staffing levels at eastern and
24 western state hospitals, at the ward level, with the specific
25 staffing levels recommended in the state hospitals' clinical model
26 analysis project report submitted by OTB Solutions in 2016. To the
27 extent that the financial analysis includes any differential in
28 staffing from what was recommended in the report, the department must
29 clearly identify these differences and the associated costs. The
30 department must submit the financial analysis by September 1, 2017.

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

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

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

23 (l) \$100,000 of the general fund—state appropriation for fiscal
24 year 2019 is provided solely for the department to track compliance
25 with RCW 71.05.365 requirements for transition of state hospital
26 patients into community settings within fourteen days of the
27 determination that they no longer require active psychiatric
28 treatment at an inpatient level of care. The department must use
29 these funds to track the following elements related to this
30 requirement: (i) The date on which an individual is determined to no
31 longer require active psychiatric treatment at an inpatient level of
32 care; (ii) the date on which the behavioral health organizations and
33 other organizations responsible for resource management services for
34 the person is notified of this determination; and (iii) the date on
35 which either the individual is transitioned to the community or has
36 been re-evaluated and determined to again require active psychiatric
37 treatment at an inpatient level of care. The department must provide
38 this information in regular intervals to behavioral health
39 organizations and other organizations responsible for resource
40 management services. The department must summarize the information

1 and provide a report to the office of financial management and the
2 appropriate committees of the legislature on progress toward meeting
3 the fourteen day standard by December 1, 2018.

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

19 (n) \$11,200,000 of the general fund—state appropriation for
20 fiscal year 2019 is provided solely for the department to develop and
21 implement an acuity based staffing tool at western state hospital and
22 eastern state hospital. The staffing tool must be designed and
23 implemented to identify, on a daily basis, the clinical acuity on
24 each patient ward and determine the minimum level of direct care
25 staff by profession to be deployed to meet the needs of the patients
26 on each ward. The department must also continue to develop, in
27 collaboration with the office of financial management's labor
28 relations office and state labor unions, an overall state hospital
29 staffing plan which looks at all positions and functions of the
30 facilities and is informed by a review of the Oregon state hospital
31 staffing model. \$300,000 of the amounts in this subsection are
32 provided solely for and must be used for staff costs required to
33 establish, monitor, track, and report monthly staffing and
34 expenditures at the state hospitals, including overtime and use of
35 locums, to the functional categories identified in the recommended
36 staffing plan. The remainder of the funds must be used for direct
37 care staffing needed in order to implement the acuity based staffing
38 tool. The allotments and tracking of staffing and expenditures must
39 include all areas of the state hospitals, must be done at the ward
40 level, and must include contracted facilities providing forensic

1 restoration services as well as the office of forensic mental health
2 services. By September 1, 2018, the department must submit a report
3 to the office of financial management and the appropriate committees
4 of the legislature that includes the following: (a) Progress in
5 implementing the acuity based staffing tool; (b) a comparison of
6 average daily staffing expenditures to budgeted staffing levels and
7 the recommended state hospital staffing plan by function; and (c)
8 metrics and facility performance for the use of overtime and extra
9 duty pay, patient length of stay, discharge management, active
10 treatment planning, medication administration, patient and staff
11 aggression, and staff recruitment and retention. The department must
12 use information gathered from implementation of the clinical staffing
13 tool and the hospital-wide staffing model to inform and prioritize
14 future budget requests for staffing at the state hospitals. Beginning
15 on January 1, 2019, the department must submit calendar quarterly
16 reports to the office of financial management and the appropriate
17 committees of the legislature which includes monitoring of monthly
18 spending and staffing levels compared to allotments and to the
19 recommended state hospital staffing model.

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

27 (i) The predictive modeling tool must be developed to leverage
28 data from a variety of sources and identify factors that are strongly
29 associated with future criminal justice involvement. By December 1,
30 2018, the department must submit a report to the office of financial
31 management and the appropriate committees of the legislature which
32 describes the following: (A) The proposed data sources to be used in
33 the predictive model and how privacy issues will be addressed; (B)
34 modeling results including a description of measurable factors most
35 strongly predictive of risk of future criminal justice involvement;
36 (C) an assessment of the accuracy, timeliness, and potential
37 effectiveness of the tool; (D) identification of interventions and
38 strategies that can be effective in reducing future criminal justice
39 involvement of high risk patients; and (E) the timeline for
40 implementing processes to provide monthly lists of high-risk client

1 to contracted managed care organizations and behavioral health
2 organizations.

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

19 (3) SPECIAL PROJECTS

20	General Fund—State Appropriation (FY 2018).	((\$514,000))
21		<u>\$486,000</u>
22	((General Fund—State Appropriation (FY 2019).	\$508,000))
23	General Fund—Federal Appropriation.	((\$25,852,000))
24		<u>\$3,148,000</u>
25	<u>Pension Funding Stabilization Account—State</u>	
26	<u>Appropriation.</u>	<u>\$28,000</u>
27	TOTAL APPROPRIATION.	((\$26,874,000))
28		<u>\$3,662,000</u>

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

31 ~~((a))~~ \$446,000 of the general fund—state appropriation for
32 fiscal year 2018~~((, ~~\$446,000~~ of the general fund—state appropriation~~
33 ~~for fiscal year 2019,))~~ and ~~((~~\$178,000~~))~~ \$89,000 of the general fund—
34 federal appropriation are provided solely for the University of
35 Washington's evidence-based practice institute which supports the
36 identification, evaluation, and implementation of evidence-based or
37 promising practices. The institute must work with the department to
38 develop a plan to seek private, federal, or other grant funding in
39 order to reduce the need for state general funds. The department must

1 collect information from the institute on the use of these funds and
2 submit a report to the office of financial management and the
3 appropriate fiscal committees of the legislature by December 1st of
4 each year of the biennium.

5 ~~((b) No more than \$19,557,000 of the general fund federal
6 appropriation may be expended for supported housing and employment
7 services described in initiative 3a and 3b of the medicaid
8 transformation demonstration waiver under healthier Washington. Under
9 this initiative, the department and the health care authority shall
10 ensure that allowable and necessary services are provided to eligible
11 clients as identified by the department or its providers or third
12 party administrator. The department and the authority in consultation
13 with the medicaid forecast work group, shall ensure that reasonable
14 reimbursements are established for services deemed necessary within
15 an identified limit per individual. The department shall not increase
16 general fund state expenditures under this initiative. The secretary
17 in collaboration with the director of the authority shall report to
18 the joint select committee on health care oversight no less than
19 quarterly on financial and health outcomes. The secretary in
20 cooperation with the director shall also report to the fiscal
21 committees of the legislature all of the expenditures of this
22 subsection and shall provide such fiscal data in the time, manner,
23 and form requested by the legislative fiscal committees.))~~

24 (4) PROGRAM SUPPORT

25	General Fund—State Appropriation (FY 2018).	((\$10,175,000))
26		<u>\$9,265,000</u>
27	General Fund—State Appropriation (FY 2019).	((\$9,543,000))
28		<u>\$2,979,000</u>
29	General Fund—Federal Appropriation.	((\$12,046,000))
30		<u>\$8,310,000</u>
31	General Fund—Private/Local Appropriation.	((\$502,000))
32		<u>\$251,000</u>
33	<u>Pension Funding Stabilization Account—State</u>	
34	<u>Appropriation.</u>	<u>\$526,000</u>
35	TOTAL APPROPRIATION.	((\$32,266,000))
36		<u>\$21,331,000</u>

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

1 (a) The department must complete an update of the state quality
2 strategy required under federal managed care regulations and submit
3 to the center for medicaid and medicare services by October 1, 2017.
4 The department must provide a report to the office of financial
5 management and the appropriate committees of the legislature by
6 December 1, 2017, which includes the following: (i) A copy of the
7 quality strategy submitted to the center for medicaid and medicare
8 services; (ii) identification of all performance measures that are
9 currently being measured for behavioral health organizations, and
10 managed care organizations and the variations in performance among
11 these entities; (iii) identification of any performance measures that
12 are included in behavioral health organization and managed care
13 organization 2018 contracts and whether these measures are connected
14 to payment; and (iv) identification of any performance measures
15 planned for incorporation of behavioral health organization and
16 managed care organization 2019 contracts and whether these measures
17 will be connected to payment during that contract period.

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

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

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

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—DEVELOPMENTAL**
2 **DISABILITIES PROGRAM**

3 (1) COMMUNITY SERVICES

4	General Fund—State Appropriation (FY 2018).	((\$612,748,000))
5		<u>\$601,597,000</u>
6	General Fund—State Appropriation (FY 2019).	((\$662,252,000))
7		<u>\$664,035,000</u>
8	General Fund—Federal Appropriation.	((\$1,301,629,000))
9		<u>\$1,302,433,000</u>
10	General Fund—Private/Local Appropriation.	((\$534,000))
11		<u>\$2,407,000</u>
12	<u>Pension Funding Stabilization Account—State</u>	
13	<u>Appropriation.</u>	<u>\$6,872,000</u>
14	TOTAL APPROPRIATION.	((\$2,577,163,000))
15		<u>\$2,577,344,000</u>

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

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

22 (b) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and
23 43.135.055, the department is authorized to increase nursing
24 facility, assisted living facility, and adult family home fees as
25 necessary to fully support the actual costs of conducting the
26 licensure, inspection, and regulatory programs. The license fees may
27 not exceed the department's annual licensing and oversight activity
28 costs and shall include the department's cost of paying providers for
29 the amount of the license fee attributed to medicaid clients.

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

37 (ii) The current annual renewal license fee for assisted living
38 facilities shall be \$106 per bed beginning in fiscal year 2018 and
39 ((~~\$106~~)) \$116 per bed beginning in fiscal year 2019.

1 (iii) The current annual renewal license fee for nursing
2 facilities shall be \$359 per bed beginning in fiscal year 2018 and
3 \$359 per bed beginning in fiscal year 2019.

4 (c) \$7,142,000 of the general fund—state appropriation for fiscal
5 year 2018, \$18,249,000 of the general fund—state appropriation for
6 fiscal year 2019, and \$27,336,000 of the general fund—federal
7 appropriation are provided solely for the implementation of the
8 agreement reached between the governor and the service employees
9 international union healthcare 775nw under the provisions of chapters
10 74.39A and 41.56 RCW for the 2017-2019 fiscal biennium. Funding is
11 contingent upon the enactment of Senate Bill No. 5969 (transparency
12 in public employee collective bargaining). If the bill is not enacted
13 by July 31, 2017, the appropriation in this subsection shall lapse.

14 (d) \$787,000 of the general fund—state appropriation for fiscal
15 year 2018, \$2,183,000 of the general fund—state appropriation for
16 fiscal year 2019, and \$3,714,000 of the general fund—federal
17 appropriation are provided solely for the homecare agency parity
18 impacts of the agreement between the governor and the service
19 employees international union healthcare 775nw. Funding is contingent
20 upon the enactment of Senate Bill No. 5969 (transparency in public
21 employee collective bargaining). If the bill is not enacted by July
22 31, 2017, the appropriation in this subsection shall lapse.

23 (e) The department may authorize a one-time waiver of all or any
24 portion of the licensing and processing fees required under RCW
25 70.128.060 in any case in which the department determines that an
26 adult family home is being relicensed because of exceptional
27 circumstances, such as death or incapacity of a provider, and that to
28 require the full payment of the licensing and processing fees would
29 present a hardship to the applicant. In these situations the
30 department is also granted the authority to waive the required
31 residential administrator training for a period of 120 days if
32 necessary to ensure continuity of care during the relicensing
33 process.

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

38 (g) \$650,000 of the general fund—state appropriation for fiscal
39 year 2018, \$650,000 of the general fund—state appropriation for

1 fiscal year 2019, and \$800,000 of the general fund—federal
2 appropriation are provided solely for the development and
3 implementation of eight enhanced respite beds across the state for
4 children. These services are intended to provide families and
5 caregivers with a break in caregiving, the opportunity for behavioral
6 stabilization of the child, and the ability to partner with the state
7 in the development of an individualized service plan that allows the
8 child to remain in his or her family home. The department must
9 provide the legislature with a respite utilization report in January
10 of each year that provides information about the number of children
11 who have used enhanced respite in the preceding year, as well as the
12 location and number of days per month that each respite bed was
13 occupied.

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

27 (i) \$100,000 of the general fund—state appropriation for fiscal
28 year 2018, \$95,000 of the general fund—state appropriation for fiscal
29 year 2019, and \$195,000 of the general fund—federal appropriation are
30 provided solely for discharge case managers stationed at the state
31 psychiatric hospitals. Discharge case managers will transition
32 clients ready for hospital discharge into less restrictive
33 alternative community placements. The transition of clients ready for
34 discharge will free up bed capacity at the state psychiatric
35 hospitals.

36 (j) \$1,239,000 of the general fund—state appropriation for fiscal
37 year 2018, \$2,055,000 of the general fund—state appropriation for
38 fiscal year 2019, and \$3,218,000 of the general fund—federal
39 appropriation are provided solely to create new community alternative

1 placement beds that prioritize the transition of clients who are
2 ready for discharge from the state psychiatric hospitals, but who
3 have additional long-term care or developmental disability needs.

4 (i) Community alternative placement beds include enhanced service
5 facility beds, adult family home beds, skilled nursing facility beds,
6 shared supportive housing beds, state operated living alternative
7 beds, and assisted living facility beds.

8 (ii) Each client must receive an individualized assessment prior
9 to leaving one of the state psychiatric hospitals. The individualized
10 assessment must identify and authorize personal care, nursing care,
11 behavioral health stabilization, physical therapy, or other necessary
12 services to meet the unique needs of each client. It is the
13 expectation that, in most cases, staffing ratios in all community
14 alternative placement options described in (j)(i) of this subsection
15 will need to increase to meet the needs of clients leaving the state
16 psychiatric hospitals. If specialized training is necessary to meet
17 the needs of a client before he or she enters a community placement,
18 then the person centered service plan must also identify and
19 authorize this training.

20 (iii) When reviewing placement options, the department must
21 consider the safety of other residents, as well as the safety of
22 staff, in a facility. An initial evaluation of each placement,
23 including any documented safety concerns, must occur within thirty
24 days of a client leaving one of the state psychiatric hospitals and
25 entering one of the community placement options described in (j)(i)
26 of this subsection. At a minimum, the department must perform two
27 additional evaluations of each placement during the first year that a
28 client has lived in the facility.

29 (iv) During fiscal year 2018, in a presentation to the select
30 committee on quality improvement in state hospitals, the department
31 must describe the process of fielding and subsequently investigating
32 complaints of abuse, neglect, and exploitation within the community
33 alternative placement options described in (j)(i) of this subsection.
34 At a minimum, the presentation must include data about the number of
35 complaints, and the nature of complaints, over the preceding five
36 fiscal years.

37 (v) During fiscal year 2019, in a presentation to the select
38 committee on quality improvement in state hospitals, the department
39 must provide an update about clients placed out of the state
40 psychiatric hospitals into the community alternative placement

1 options described in (j)(i) of this subsection. At a minimum, for
2 each setting, the presentation must include data about the number of
3 placements, average daily rate, complaints fielded, and complaints
4 investigated. The presentation must also include information about
5 modifications, including the placement of clients into alternate
6 settings, that occurred due to the evaluations required under
7 (j)(iii) of this subsection.

8 In developing bed capacity, the department shall consider the
9 complex needs of individuals waiting for discharge from the state
10 psychiatric hospitals.

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

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

- 28 (i) \$1.25 per hour effective July 1, 2017, and;
- 29 (ii) An additional \$1.00 per hour effective July 1, 2018.

30 The amounts provided in this subsection must be used to improve
31 the recruitment and retention of quality direct care staff to better
32 protect the health and safety of clients with developmental
33 disabilities.

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

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

6 (o) \$1,716,000 of the general fund—state appropriation for fiscal
7 year 2018, \$3,493,000 of the general fund—state appropriation for
8 fiscal year 2019, and \$4,267,000 of the general fund—federal
9 appropriation are provided solely for a targeted vendor rate increase
10 to contracted client service providers.

11 (i) Within the amounts provided in this subsection, \$1,674,000 of
12 the general fund—state appropriation for fiscal year 2018, \$3,424,000
13 of the general fund—state appropriation for fiscal year 2019, and
14 \$4,126,000 of the general fund—federal appropriation are provided
15 solely for a vendor rate increase of two percent in fiscal year 2018
16 and an additional two percent in fiscal year 2019 for all contracted
17 vendors with the exception of nursing home providers, the program of
18 all-inclusive care for the elderly, nurse delegators, community
19 residential service providers, individual providers, agency
20 providers, and adult family homes.

21 (ii) Within the amounts provided in this subsection, \$42,000 of
22 the general fund—state appropriation for fiscal year 2018, \$69,000 of
23 the general fund—state appropriation for fiscal year 2019, and
24 \$141,000 of the general fund—federal appropriation are provided
25 solely to increase vendor rates for adult residential care and
26 enhanced adult residential care in the 2017-2019 fiscal biennium up
27 to the statewide minimum wage established in Initiative Measure No.
28 1433.

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

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

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

6 (s) \$2,199,000 of the general fund—state appropriation for fiscal
7 year 2018, \$2,878,000 of the general fund—state appropriation for
8 fiscal year 2019, and \$6,388,000 of the general fund—federal
9 appropriation are provided solely for the implementation of an
10 agreement reached between the governor and the adult family home
11 council under the provisions of chapter 41.56 RCW for the 2017-2019
12 fiscal biennium. Funding is contingent upon the enactment of Senate
13 Bill No. 5969 (transparency in public employee collective
14 bargaining). If the bill is not enacted by July 31, 2017, the amounts
15 provided in this subsection shall lapse.

16 (t) The department must define a plan and funding estimate
17 necessary to implement an electronic visit verification system for
18 service providers that contract with the department and that are
19 subject to the requirements of the federal twenty-first century cures
20 act. Implementation of the electronic visit verification system is
21 expected to be fully compliant with the federal twenty-first century
22 cures act no later than July 1, 2019.

23 (i) Any funding necessary to support the electronic visit
24 verification system must be requested in a decision package that is
25 submitted to the office of financial management no later than the
26 2019-2021 fiscal biennial budget cycle.

27 (ii) The plan and funding estimate must address in-home care
28 workers employed by home care agencies that contract with the
29 department, and any other service providers that contract with the
30 department and that are determined by the federal centers for
31 medicare and medicaid services to be subject to the electronic visit
32 verification system requirement.

33 (iii) In defining a plan for the electronic visit verification
34 system, the department must explore options to maximize cost-
35 efficiency. Options may include but are not limited to:

- 36 (A) A shared system with other states; and,
37 (B) Development of a shared system with the consumer-directed
38 employer that will implement an electronic visit verification system
39 for individual providers of home care services.

1 (u) The developmental disabilities administration shall work with
2 stakeholders to design and implement a proposed specialty contract
3 for adult family homes that exclusively serve individuals who have a
4 primary need of care related to a developmental or intellectual
5 disability. The specialty contract must be designed as a statement of
6 work with specific provisions related to the assessment, environment,
7 regulations, provision of care, and training requirements. The
8 specialty contract must be designed to support an intentional
9 environment to improve resident quality of life, increase resident
10 length of stay, clarify regulations, streamline training
11 requirements, reduce the need for institutional settings, and attract
12 more adult family providers to develop such highly needed resources.
13 The specialty contract must be completed by July 1, 2018, for
14 consideration and potential implementation in the 2019-2021
15 collective bargaining agreement and biennial budget.

16 (v) \$623,000 of the general fund—state appropriation for fiscal
17 year 2019 and \$623,000 of the general fund—federal appropriation are
18 provided solely to hold community residential service provider rates
19 harmless for instruction and support services and administration, to
20 the extent possible within amounts appropriated in this subsection,
21 if the tiered rate methodology is implemented effective January 1,
22 2019.

23 (w) \$1,873,000 of the general fund—private/local appropriation
24 and \$1,874,000 of the general fund—federal appropriation are provided
25 solely to implement Substitute House Bill No. 1792 (residential
26 services and supports). The annual certification renewal fee for
27 community residential service businesses shall be \$908 per client.
28 The annual certification renewal fee may not exceed the department's
29 annual licensing and oversight activity costs. If the bill is not
30 enacted by June 30, 2018, the amounts provided in this subsection
31 shall lapse.

32 (x) \$564,000 of the general fund—state appropriation for fiscal
33 year 2019 and \$564,000 of the general fund—federal appropriation are
34 provided solely for the department to use the King county
35 classification for the purpose of determining the benchmark rate,
36 which is the rate at which direct care staff hours are paid specific
37 to a county classification, in Snohomish county for community
38 residential service businesses as defined in RCW 74.39A.009(5).

1 (y) \$21,000 of the general fund—state appropriation for fiscal
2 year 2019 and \$26,000 of the general fund—federal appropriation are
3 provided solely to implement Substitute House Bill No. 2651 (personal
4 needs allowance). If the bill is not enacted by June 30, 2018, the
5 amounts provided in this subsection shall lapse.

6 (z) \$34,000 of the general fund—state appropriation for fiscal
7 year 2018, \$293,000 of the general fund—state appropriation for
8 fiscal year 2019, and \$480,000 of the general fund—federal
9 appropriation are provided solely to implement Substitute House Bill
10 No. 2963 or Engrossed Substitute Senate Bill No. 6199 (consumer
11 directed employer organizations). If neither bill is enacted by June
12 30, 2018, the amounts provided in this subsection shall lapse.

13 (aa) The department of social and health services developmental
14 disabilities administration shall participate in the development of
15 an implementation plan to build statewide capacity among school
16 districts to improve transition planning for students in special
17 education who meet criteria for services from the developmental
18 disabilities administration, pursuant to section 501(68) of this act.

19 (2) INSTITUTIONAL SERVICES

20	General Fund—State Appropriation (FY 2018).	((\$104,159,000))
21		<u>\$99,642,000</u>
22	General Fund—State Appropriation (FY 2019).	((\$106,818,000))
23		<u>\$106,874,000</u>
24	General Fund—Federal Appropriation.	((\$195,757,000))
25		<u>\$203,719,000</u>
26	General Fund—Private/Local Appropriation.	((\$25,041,000))
27		<u>\$27,041,000</u>
28	<u>Pension Funding Stabilization Account—State</u>	
29	<u>Appropriation.</u>	<u>\$12,441,000</u>
30	TOTAL APPROPRIATION.	((\$431,775,000))
31		<u>\$449,717,000</u>

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

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

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

8 (c) \$2,978,000 of the general fund—state appropriation for fiscal
9 year 2018, \$2,978,000 of the general fund—state appropriation for
10 fiscal year 2019, and \$5,956,000 of the general fund—federal
11 appropriation are for additional staff to ensure compliance with
12 centers for medicare and medicaid services requirements for
13 habilitation, nursing care, staff safety, and client safety at the
14 residential habilitation centers.

15 (d) The residential habilitation centers may use funds
16 appropriated in this subsection to purchase goods (~~and~~),
17 supplies, and services through hospital group purchasing organizations when it
18 is cost-effective to do so.

19 (e) \$2,000 of the general fund—state appropriation for fiscal
20 year 2018, \$5,000 of the general fund—state appropriation for fiscal
21 year 2019, and \$5,000 of the general fund—federal appropriation are
22 provided solely to implement chapter 270, Laws of 2017 (SB 5118)
23 (personal needs allowance).

24 (f) \$229,000 of the general fund—state appropriation for fiscal
25 year 2019 and \$229,000 of the general fund—federal appropriation are
26 provided solely for purposes of maintaining basic life-and-safety
27 equipment and structures in a manner that supports a safe and
28 compliant environment of care at the residential habilitation
29 centers. The department is to develop a budget structure that allows
30 for transparency in the management and monitoring of these
31 expenditures as well as related performance and outcomes. The
32 department is to report to the office of financial management on
33 expenditure levels and outcomes achieved at the close of each fiscal
34 year.

35 (g) \$2,308,000 of the general fund—state appropriation for fiscal
36 year 2018, \$6,169,000 of the general fund—state appropriation for
37 fiscal year 2019, and \$8,477,000 of the general fund—federal
38 appropriation are provided solely for additional staffing resources
39 to provide direct care to clients living in the intermediate care

1 facilities at Rainier school, Fircrest school, and Lakeland village
2 to address deficiencies identified by the centers for medicare and
3 medicaid services, and to gather information for the 2019 legislative
4 session that will support appropriate levels of care for residential
5 habilitation center clients.

6 (i) The department of social and health services must contract
7 with the William D. Ruckelshaus center or other neutral party to
8 facilitate meetings and discussions about how to support appropriate
9 levels of care for residential habilitation clients based on the
10 clients' needs and ages. The options explored in the meetings and
11 discussions must include, but are not limited to, conversion of
12 cottages from certification as an intermediate care facility to
13 certification and licensure as a skilled nursing facility, developing
14 a state operated nursing facility for eligible clients, and placement
15 of additional clients from the residential habilitation centers into
16 state operated living alternatives. An agreed-upon preferred vision
17 must be included within a report to the office of financial
18 management and appropriate fiscal and policy committees of the
19 legislature before December 1, 2018. The report must describe the
20 policy rationale, implementation plan, timeline, and recommended
21 statutory changes for the preferred vision.

22 The parties invited to participate in the meetings and discussion
23 must include:

24 (A) One member from each of the two largest caucuses in the
25 senate, who shall be appointed by the majority leader and minority
26 leader of the senate;

27 (B) One member from each of the two largest caucuses in the house
28 of representatives, who shall be appointed by the speaker and
29 minority leader of the house of representatives;

30 (C) One member from the office of the governor, appointed by the
31 governor;

32 (D) One member from the developmental disabilities council;

33 (E) One member from the ARC of Washington;

34 (F) One member from the Washington federation of state employees;

35 (G) One member from the service employee international union
36 1199;

37 (H) One member from the developmental disabilities administration
38 within the department of social and health services; and

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

1 (ii) Before November 1, 2018, the department of social and health
2 services must submit a report to the office of financial management
3 and the appropriate fiscal and policy committees of the legislature
4 that includes the following information: All information provided for
5 subsections A through D below must be provided so as to clearly
6 identify data that represents the intermediate care facility versus
7 the skilled nursing facility components of the residential
8 habilitation centers.

9 (A) The current number of clients living in the residential
10 habilitation centers from the most recent month of available data.
11 The information must be provided by month for each cottage on each
12 campus, and must distinguish between long-term and short-term
13 admissions.

14 (B) The average age of clients living in the residential
15 habilitation centers from fiscal year 2013 through fiscal year 2018.
16 The information must be provided by month for each cottage on each
17 campus.

18 (C) The number of staff, segmented by the type of position, at
19 the residential habilitation centers from fiscal year 2013 through
20 fiscal year 2018. The information must be provided by month for each
21 cottage on each campus. Any staff that are not directly associated
22 with a cottage must be provided separately for each campus.

23 (D) Ratios of staff to clients at the residential habilitation
24 centers from fiscal year 2013 through fiscal year 2018. The ratios
25 must include, but are not limited to, the number of direct care staff
26 per client and the number of indirect care staff per client. The
27 ratio of direct care staff per client must be provided by month for
28 each cottage on each campus. The ratio of indirect care staff per
29 client must be provided by month for each campus.

30 (E) The number of individuals with a developmental disability
31 residing long term at the state psychiatric hospitals from fiscal
32 year 2013 through fiscal year 2018. The information must be provided
33 by month for each of the state psychiatric hospitals.

34 (F) The average age of individuals with a developmental
35 disability residing long term at the state psychiatric hospitals from
36 fiscal year 2013 through fiscal year 2018. The information must be
37 provided by month for each of the state psychiatric hospitals.

38 (G) The following information pertinent to the goal of
39 transitioning from the use of intermediate care facilities on
40 residential habilitation center campuses to skilled nursing

1 facilities, when appropriate to individual client needs and
2 preferences, no later than January 1, 2021:

3 (I) An analysis of existing facilities that might serve as
4 skilled nursing facilities, including options on residential
5 habilitation center campuses and options off campus that might be
6 purchased, rented, or leased by the state. The report must display
7 location, closure date if applicable, and total bed capacity for each
8 facility.

9 (II) The number of clients living in intermediate care facility
10 cottages at the residential habilitation centers who meet the
11 functional criteria for nursing facility level of care as determined
12 by assessments conducted by the department.

13 (III) The number of clients living in intermediate care facility
14 cottages at the residential habilitation centers whom, directly or
15 through their legal guardian, express interest in or willingness to
16 live in a skilled nursing facility in interviews and assessments
17 conducted by the department.

18 (IV) A description of the process and a feasibility analysis for
19 the transition of a cottage or multiple cottages at a residential
20 habilitation center from certification as an intermediate care
21 facility to certification and licensure as a skilled nursing facility
22 no later than January 1, 2021. This section of the report must
23 include, but is not limited to, a description of the role for the
24 department of health, department of social and health services, and
25 the centers for medicare and medicaid services.

26 (V) The estimated capital investment needed to transition a
27 cottage, or multiple cottages, at a residential habilitation center
28 from certification as an intermediate care facility to certification
29 and licensure as a skilled nursing facility no later than January 1,
30 2021.

31 (H) Options for the alternate use of buildings, vacant or
32 occupied, at Fircrest, Rainier, Yakima valley, or Lakeland village.
33 The suggestions must include but are not limited to expanding
34 capacity for nursing care, dental care, and other specialty services
35 for individuals with developmental or intellectual disabilities.

36 (I) Options for transferring the ownership of charitable,
37 educational, penal, and reform institutions land on the Fircrest
38 campus from the department of natural resources to the department of
39 social and health services.

1 (I) Purchase of the charitable, educational, penal, and reform
2 institutions land on the Fircrest campus by the department of social
3 and health services. This option must include but is not limited to
4 the most recent appraisal of the value of charitable, educational,
5 penal, and reform institutions land on the Fircrest campus.

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

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

11 (J) Options for the additional use of state operated living
12 alternative placements to assist clients with the transition from an
13 institutional setting to a community setting. The report must
14 identify the number of clients who could transition into state
15 operated living alternative placements, and the length of time
16 necessary to transition clients into the additional placements.

17 (K) Options for establishing additional crisis stabilization
18 services at the residential habilitation centers. The report must
19 identify the operating costs, capital costs, timeline, and desired
20 location associated with the additional capacity.

21 (L) Options for transferring individuals who have been residing
22 long term at the state psychiatric hospitals into an alternative
23 location, or multiple locations. One of the options must explore the
24 possibility of transferring these individuals to the residential
25 habilitation centers. For any option that is explored, the report
26 must identify the operating costs, capital costs, timeline, and
27 desired location associated with the additional capacity.

28 (M) The expenditures for overtime, prescription drugs, controlled
29 substances, medical supplies, janitorial supplies, household
30 supplies, maintenance supplies, and office supplies at the
31 residential habilitation centers from fiscal year 2013 through fiscal
32 year 2018. The information must be provided by month for each campus.
33 The department must also provide the strategy, or strategies, that
34 are being implemented to decrease expenditures for overtime,
35 prescription drugs, controlled substances, medical supplies,
36 janitorial supplies, household supplies, maintenance supplies, and
37 office supplies at the residential habilitation centers.

38 (N) \$23,000 of the general fund—state appropriation for fiscal
39 year 2019 and \$23,000 of the general fund—federal appropriation are
40 provided solely to implement Substitute House Bill No. 2651 (personal

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

3 (3) PROGRAM SUPPORT

4	General Fund—State Appropriation (FY 2018).	((\$2,469,000))
5		<u>\$2,351,000</u>
6	General Fund—State Appropriation (FY 2019).	((\$2,531,000))
7		<u>\$2,417,000</u>
8	General Fund—Federal Appropriation.	((\$2,946,000))
9		<u>\$2,986,000</u>
10	<u>Pension Funding Stabilization Account—State</u>	
11	<u>Appropriation.</u>	<u>\$270,000</u>
12	TOTAL APPROPRIATION.	((\$7,946,000))
13		<u>\$8,024,000</u>

14 (4) SPECIAL PROJECTS

15	General Fund—State Appropriation (FY 2018).	((\$64,000))
16		<u>\$55,000</u>
17	General Fund—State Appropriation (FY 2019).	((\$64,000))
18		<u>\$62,000</u>
19	General Fund—Federal Appropriation.	\$1,092,000
20	<u>Pension Funding Stabilization Account—State</u>	
21	<u>Appropriation.</u>	<u>\$11,000</u>
22	TOTAL APPROPRIATION.	\$1,220,000

23 **Sec. 206.** 2017 3rd sp.s. c 1 s 206 (uncodified) is amended to
24 read as follows:

25 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—AGING AND ADULT**
26 **SERVICES PROGRAM**

27	General Fund—State Appropriation (FY 2018).	((\$1,099,017,000))
28		<u>\$1,077,282,000</u>
29	General Fund—State Appropriation (FY 2019).	((\$1,196,263,000))
30		<u>\$1,208,737,000</u>
31	General Fund—Federal Appropriation.	((\$2,839,653,000))
32		<u>\$2,845,278,000</u>
33	General Fund—Private/Local Appropriation.	((\$33,572,000))
34		<u>\$37,639,000</u>
35	Traumatic Brain Injury Account—State Appropriation.	\$4,540,000
36	Skilled Nursing Facility Safety Net Trust Account—	
37	State Appropriation.	\$133,360,000

1 Pension Funding Stabilization Account—State

2	<u>Appropriation.</u>	<u>\$13,165,000</u>
3	TOTAL APPROPRIATION.	((\$5,306,405,000))
4		<u>\$5,320,001,000</u>

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

7 (1)(a) For purposes of implementing chapter 74.46 RCW, the
8 weighted average nursing facility payment rate shall not exceed
9 ((~~\$201.39~~)) \$200.47 for fiscal year 2018 and shall not exceed
10 ((~~\$209.35~~)) \$216.64 for fiscal year 2019.

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

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

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

31 (b) The current annual renewal license fee for assisted living
32 facilities shall be \$106 per bed beginning in fiscal year 2018 and
33 ((~~\$106~~)) \$116 per bed beginning in fiscal year 2019.

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

37 (3) The department is authorized to place long-term care clients
38 residing in nursing homes and paid for with state only funds into

1 less restrictive community care settings while continuing to meet the
2 client's care needs.

3 (4) \$1,858,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$1,857,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for operation of the volunteer
6 services program. Funding shall be prioritized towards serving
7 populations traditionally served by long-term care services to
8 include senior citizens and persons with disabilities.

9 (5) \$14,674,000 of the general fund—state appropriation for
10 fiscal year 2018, \$37,239,000 of the general fund—state appropriation
11 for fiscal year 2019, and \$55,716,000 of the general fund—federal
12 appropriation are provided solely for the implementation of the
13 agreement reached between the governor and the service employees
14 international union healthcare 775nw under the provisions of chapters
15 74.39A and 41.56 RCW for the 2017-2019 fiscal biennium. Funding is
16 contingent upon the enactment of Senate Bill No. 5969 (transparency
17 in public employee collective bargaining). If the bill is not enacted
18 by July 31, 2017, the appropriation in this subsection shall lapse.

19 (6) \$4,833,000 of the general fund—state appropriation for fiscal
20 year 2018, \$13,413,000 of the general fund—state appropriation for
21 fiscal year 2019, and \$22,812,000 of the general fund—federal
22 appropriation are provided solely for the homecare agency parity
23 impacts of the agreement between the governor and the service
24 employees international union healthcare 775nw. Funding is contingent
25 upon the enactment of Senate Bill No. 5969 (transparency in public
26 employee collective bargaining). If the bill is not enacted by July
27 31, 2017, the appropriation in this subsection shall lapse.

28 (7) \$5,094,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$5,094,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for services and support to
31 individuals who are deaf, hard of hearing, or deaf-blind.

32 (8) The department may authorize a one-time waiver of all or any
33 portion of the licensing and processing fees required under RCW
34 70.128.060 in any case in which the department determines that an
35 adult family home is being relicensed because of exceptional
36 circumstances, such as death or incapacity of a provider, and that to
37 require the full payment of the licensing and processing fees would
38 present a hardship to the applicant. In these situations the
39 department is also granted the authority to waive the required

1 residential administrator training for a period of 120 days if
2 necessary to ensure continuity of care during the relicensing
3 process.

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

7 (10) \$234,000 of the general fund—state appropriation for fiscal
8 year 2018 and (~~(\$234,000)~~) \$479,000 of the general fund—state
9 appropriation for fiscal year 2019 are provided solely for the
10 kinship navigator program in the Colville Indian reservation, Yakama
11 Nation, and other tribal areas.

12 (11) \$42,000 of the general fund—state appropriation for fiscal
13 year 2018, \$127,000 of the general fund—state appropriation for
14 fiscal year 2019, and \$169,000 of the general fund—federal
15 appropriation are provided solely to implement chapter 270, Laws of
16 2017 (SB 5118) (personal needs allowance).

17 (12) Within available funds, the aging and long term support
18 administration must maintain a unit within adult protective services
19 that specializes in the investigation of financial abuse allegations
20 and self-neglect allegations.

21 (13) Within amounts appropriated in this subsection, the
22 department shall assist the legislature to continue the work of the
23 joint legislative executive committee on planning for aging and
24 disability issues.

25 (a) A joint legislative executive committee on aging and
26 disability is continued, with members as provided in this subsection.

27 (i) Four members of the senate, with the leaders of the two
28 largest caucuses each appointing two members, and four members of the
29 house of representatives, with the leaders of the two largest
30 caucuses each appointing two members;

31 (ii) A member from the office of the governor, appointed by the
32 governor;

33 (iii) The secretary of the department of social and health
34 services or his or her designee;

35 (iv) The director of the health care authority or his or her
36 designee;

37 (v) A member from disability rights Washington and a member from
38 the office of long-term care ombuds;

1 (vi) The insurance commissioner or his or her designee, who shall
2 serve as an ex officio member; and

3 (vii) Other agency directors or designees as necessary.

4 (b) The committee must make recommendations and continue to
5 identify key strategic actions to prepare for the aging of the
6 population in Washington, including state budget and policy options,
7 by conducting at least, but not limited to, the following tasks:

8 (i) Identify strategies to better serve the health care needs of
9 an aging population and people with disabilities to promote healthy
10 living and palliative care planning;

11 (ii) Identify strategies and policy options to create financing
12 mechanisms for long-term service and supports that allow individuals
13 and families to meet their needs for service;

14 (iii) Identify policies to promote financial security in
15 retirement, support people who wish to stay in the workplace longer,
16 and expand the availability of workplace retirement savings plans;

17 (iv) Identify ways to promote advance planning and advance care
18 directives and implementation strategies for the Bree collaborative
19 palliative care and related guidelines;

20 (v) Identify ways to meet the needs of the aging demographic
21 impacted by reduced federal support;

22 (vi) Identify ways to protect the rights of vulnerable adults
23 through assisted decision-making and guardianship and other relevant
24 vulnerable adult protections;

25 (vii) Identify options for promoting client safety through
26 residential care services and consider methods of protecting older
27 people and people with disabilities from physical abuse and financial
28 exploitation;

29 (viii) Identify other policy options and recommendations to help
30 communities adapt to the aging demographic in planning for housing,
31 land use, and transportation; and

32 (ix) Identify ways to support individuals with developmental
33 disabilities with long-term care needs who are enrolled members of a
34 federally recognized Indian tribe, or residing in the household of an
35 enrolled members of a federally recognized Indian tribe, and are
36 receiving care from a family member.

37 (c) At least one committee meeting must be devoted to the
38 exploration of legislation that would allow family members to provide
39 personal care services to persons with developmental disabilities or
40 long-term care needs under a voluntary consumer-directed medicaid

1 service program. During the meeting, the committee should hear
2 testimony from as many impacted parties as possible, including
3 clients, providers, advocacy groups, and staff from state agencies.
4 Testimony should explore program design, program oversight, necessary
5 statutory changes, barriers to implementation, fiscal estimates, and
6 timeline for implementation.

7 (d) Staff support for the committee shall be provided by the
8 office of program research, senate committee services, the office of
9 financial management, and the department of social and health
10 services.

11 (e) Within existing appropriations, the cost of meetings must be
12 paid jointly by the senate, house of representatives, and the office
13 of financial management. Joint committee expenditures are subject to
14 approval by the senate facilities and operations committee and the
15 house of representatives executive rules committee, or their
16 successor committees. The joint committee members may be reimbursed
17 for travel expenses as authorized under RCW 43.03.050 and 43.03.060,
18 and chapter 44.04 RCW as appropriate. Advisory committee members may
19 not receive compensation or reimbursement for travel and expenses.

20 (14)(a) The department of social and health services must
21 facilitate a stakeholder work group consisting of assisted living
22 provider associations and the state long-term care ombuds in a
23 collaborative effort to redesign the medicaid payment methodology for
24 contracted assisted living, adult residential care, and enhanced
25 adult residential care. The department must submit a report with the
26 final work group recommendations to the appropriate legislative
27 committees by November 30, 2017. A proposed timeline for
28 implementation of the new methodology must be included in the report.
29 The new methodology must:

30 (i) Adhere to the standards of an acuity-based payment system as
31 originally intended by the legislature, and the department will rely
32 on the time study conducted in 2003 in establishing the acuity scale;

33 (ii) Create a standardized methodology that supports a reasonable
34 medicaid payment that promotes access, choice, and quality;

35 (iii) Incorporate metrics such as medians, lids, floors, and
36 other options that provide flexibility to adjust to economic
37 conditions while maintaining the integrity of the methodology;

38 (iv) Be supported by relevant, reliable, verifiable, and
39 independent data to the extent possible; and

1 (v) To the extent possible, repurpose and streamline data sources
2 and modeling that the aging and long-term support administration uses
3 for other rate-setting processes.

4 (b) In developing payment metrics for medicaid-covered services,
5 staff and service requirements must be reviewed for assisted living,
6 adult residential care, and enhanced adult residential care as
7 described in chapters 74.39A and 18.20 RCW. At a minimum, the
8 proposed rate methodology must include a component that recognizes
9 staffing for intermittent nursing and personal care services. Service
10 area adjustments based on population density must be reviewed and
11 compared with other options to recognize high-cost areas. The most
12 recent and complete wage data available through the bureau of labor
13 statistics must also be included for review and consideration. The
14 methodology work group must consider operational requirements and
15 indirect services in developing the model. The work group must
16 include a rate component that recognizes statutory and regulatory
17 physical plant requirements. The work group must review and consider
18 physical plant requirements for assisted living as described in
19 chapter 51.50 RCW. A fair rental valuation must be reviewed and
20 considered as an option for the capital component. The recognition of
21 food for medicaid residents must also be included in the work group
22 considerations. The department's current methodology to address room
23 and board requirements, and the appropriateness of the continued use
24 of the 2003 time study and whether it can be reasonably adjusted or
25 whether a new time study should be conducted, must be reviewed and
26 considered by the work group.

27 (15) Within amounts appropriated in this section, the department
28 must pay medicaid nursing facility payment rates for public hospital
29 district providers in rural communities as defined under chapter
30 70.44 RCW that are no less than June 30, 2016, reimbursement levels.
31 This action is intended to assure continued access to essential
32 services in rural communities.

33 (16) \$5,370,000 of the general fund—state appropriation for
34 fiscal year 2018, \$10,199,000 of the general fund—state appropriation
35 for fiscal year 2019, and \$18,346,000 of the general fund—federal
36 appropriation are provided solely for a targeted vendor rate increase
37 to contracted client service providers.

38 (a) Within the amounts provided in this subsection, \$2,763,000 of
39 the general fund—state appropriation for fiscal year 2018, \$5,741,000

1 of the general fund—state appropriation for fiscal year 2019, and
2 \$9,775,000 of the general fund—federal appropriation are provided
3 solely for a vendor rate increase of two percent in fiscal year 2018
4 and an additional two percent in fiscal year 2019 for all contracted
5 vendors with the exception of nursing home providers, the program of
6 all-inclusive care for the elderly, nurse delegators, community
7 residential service providers, individual providers, agency
8 providers, and adult family homes.

9 (b) Within the amounts provided in this subsection, \$2,607,000 of
10 the general fund—state appropriation for fiscal year 2018, \$4,458,000
11 of the general fund—state appropriation for fiscal year 2019, and
12 \$8,571,000 of the general fund—federal appropriation are provided
13 solely to increase vendor rates for nursing homes, assisted living
14 facilities including adult residential care and enhanced adult
15 residential care, adult day health and adult day care providers, and
16 home care agency administration in the 2017-2019 fiscal biennium up
17 to the statewide minimum wage established in Initiative Measure No.
18 1433.

19 (17) \$4,815,000 of the general fund—state appropriation for
20 fiscal year 2018, \$8,527,000 of the general fund—state appropriation
21 for fiscal year 2019, and \$12,277,000 of the general fund—federal
22 appropriation are provided solely to create new community alternative
23 placement beds that prioritize the transition of clients who are
24 ready for discharge from the state psychiatric hospitals, but who
25 have additional long-term care or developmental disability needs.

26 (a) Community alternative placement beds include enhanced service
27 facility beds, adult family home beds, skilled nursing facility beds,
28 shared supportive housing beds, state operated living alternative
29 beds, and assisted living facility beds.

30 (b) Each client must receive an individualized assessment prior
31 to leaving one of the state psychiatric hospitals. The individualized
32 assessment must identify and authorize personal care, nursing care,
33 behavioral health stabilization, physical therapy, or other necessary
34 services to meet the unique needs of each client. It is the
35 expectation that, in most cases, staffing ratios in all community
36 alternative placement options described in (a) of this subsection
37 will need to increase to meet the needs of clients leaving the state
38 psychiatric hospitals. If specialized training is necessary to meet
39 the needs of a client before he or she enters a community placement,

1 then the person centered service plan must also identify and
2 authorize this training.

3 (c) When reviewing placement options, the department must
4 consider the safety of other residents, as well as the safety of
5 staff, in a facility. An initial evaluation of each placement,
6 including any documented safety concerns, must occur within thirty
7 days of a client leaving one of the state psychiatric hospitals and
8 entering one of the community placement options described in (a) of
9 this subsection. At a minimum, the department must perform two
10 additional evaluations of each placement during the first year that a
11 client has lived in the facility.

12 (d) During fiscal year 2018, in a presentation to the select
13 committee on quality improvement in state hospitals, the department
14 must describe the process of fielding and subsequently investigating
15 complaints of abuse, neglect, and exploitation within the community
16 alternative placement options described in (a) of this subsection. At
17 a minimum, the presentation must include data about the number of
18 complaints, and the nature of complaints, over the preceding five
19 fiscal years.

20 (e) During fiscal year 2019, in a presentation to the select
21 committee on quality improvement in state hospitals, the department
22 must provide an update about clients placed out of the state
23 psychiatric hospitals into the community alternative placement
24 options described in (a) of this subsection. At a minimum, for each
25 setting, the presentation must include data about the number of
26 placements, average daily rate, complaints fielded, and complaints
27 investigated. The presentation must also include information about
28 modifications, including the placement of clients into alternate
29 settings, that occurred due to the evaluations required under (c) of
30 this subsection.

31 In developing bed capacity, the department shall consider the
32 complex needs of individuals waiting for discharge from the state
33 psychiatric hospitals.

34 (18) \$315,000 of the general fund—state appropriation for fiscal
35 year 2018, \$315,000 of the general fund—state appropriation for
36 fiscal year 2019, and \$630,000 of the general fund—federal
37 appropriation are provided solely for discharge case managers
38 stationed at the state psychiatric hospitals. Discharge case managers
39 will transition clients ready for hospital discharge into less

1 restrictive alternative community placements. The transition of
2 clients ready for discharge will free up bed capacity at the state
3 psychiatric hospitals.

4 (19) \$135,000 of the general fund—state appropriation for fiscal
5 year 2018, \$135,000 of the general fund—state appropriation for
6 fiscal year 2019, and \$270,000 of the general fund—federal
7 appropriation are provided solely for financial service specialists
8 stationed at the state psychiatric hospitals. Financial service
9 specialists will help to transition clients ready for hospital
10 discharge into alternative community placements. The transition of
11 clients ready for discharge will free up bed capacity at the state
12 hospitals.

13 (20) \$5,007,000 of the general fund—state appropriation for
14 fiscal year 2018, \$5,143,000 of the general fund—state appropriation
15 for fiscal year 2019, and \$10,154,000 of the general fund—federal
16 appropriation are provided solely to implement chapter 286, Laws of
17 2017 (SB 5715) (nursing home payments).

18 (21) \$750,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$750,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely to implement chapter 287, Laws
21 of 2017 (SB 5736) (nutrition programs).

22 (22) \$183,000 of the general fund—state appropriation for fiscal
23 year 2018, \$92,000 of the general fund—state appropriation for fiscal
24 year 2019, and \$2,479,000 of the general fund—federal appropriation
25 are provided solely to finish the programming necessary to give the
26 department the ability to pay individual provider overtime when hours
27 over 40 hours per week are authorized for payment and are subject to
28 the conditions, limitations, and review provided in section 724 of
29 this act.

30 (23) \$229,000 of the general fund—state appropriation for fiscal
31 year 2018, \$229,000 of the general fund—state appropriation for
32 fiscal year 2019, and \$458,000 of the general fund—federal
33 appropriation are provided solely to increase the daily rate for
34 private duty nursing in adult family homes by \$63.77.

35 (24) \$246,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$313,000 of the general fund—federal appropriation are
37 provided solely to implement Senate Bill No. . . . (S-2907.2). If the
38 bill is not enacted by July 31, 2017, the amounts provided in this
39 subsection shall lapse.

1 (25)(a) No more than \$41,388,000 of the general fund—federal
2 appropriation may be expended for tailored support for older adults
3 and medicaid alternative care described in initiative 2 of the
4 medicaid transformation demonstration waiver under healthier
5 Washington. The department shall not increase general fund—state
6 expenditures on this initiative. The secretary in collaboration with
7 the director of the health care authority shall report to the joint
8 select committee on health care oversight no less than quarterly on
9 financial and health outcomes. The secretary in cooperation with the
10 director shall also report to the fiscal committees of the
11 legislature all of the expenditures of this subsection and shall
12 provide such fiscal data in the time, manner, and form requested by
13 the legislative fiscal committees.

14 (b) No more than \$2,200,000 of the general fund—federal
15 appropriation may be expended for supported housing and employment
16 services described in initiative 3a and 3b of the medicaid
17 transformation demonstration waiver under healthier Washington. Under
18 this initiative, the department and the health care authority shall
19 ensure that allowable and necessary services are provided to eligible
20 clients as identified by the department or its providers third party
21 administrator. The department and the authority in consultation with
22 the medicaid forecast work group shall ensure that reasonable
23 reimbursements are established for services deemed necessary within
24 an identified limit per individual. The department shall not increase
25 general fund—state expenditures under this initiative. The secretary
26 in cooperation with the director shall report to the joint select
27 committee on health care oversight no less than quarterly on
28 financial and health outcomes. The secretary in cooperation with the
29 director shall also report to the fiscal committees of the
30 legislature all of the expenditures of this subsection and shall
31 provide such fiscal data in the time, manner, and form requested by
32 the legislative fiscal committees.

33 (26) \$351,000 of the general fund—state appropriation for fiscal
34 year 2018, \$421,000 of the general fund—state appropriation for
35 fiscal year 2019, and \$1,012,000 of the general fund—federal
36 appropriation are provided solely for increasing the hourly rate for
37 nurse delegators from \$32.96 to \$45.32 effective September 1, 2017.

38 (27) \$10,017,000 of the general fund—state appropriation for
39 fiscal year 2018, \$13,111,000 of the general fund—state appropriation

1 for fiscal year 2019, and \$29,104,000 of the general fund—federal
2 appropriation are provided solely for the implementation of an
3 agreement reached between the governor and the adult family home
4 council under the provisions of chapter 41.56 RCW for the 2017-2019
5 fiscal biennium. Funding is contingent upon the enactment of Senate
6 Bill No. 5969 (transparency in public employee collective
7 bargaining). If the bill is not enacted by July 31, 2017, the amounts
8 provided in this subsection shall lapse.

9 (28) The department must define a plan and funding estimate
10 necessary to implement an electronic visit verification system for
11 service providers that contract with the department and that are
12 subject to the requirements of the federal twenty-first century cures
13 act. Implementation of the electronic visit verification system is
14 expected to be fully compliant with the federal twenty-first century
15 cures act no later than July 1, 2019.

16 (a) Any funding necessary to support the electronic visit
17 verification system must be requested in a decision package that is
18 submitted to the office of financial management no later than the
19 2019-2021 fiscal biennial budget cycle.

20 (b) The plan and funding estimate must address in-home care
21 workers employed by home care agencies that contract with the
22 department, and any other service providers that contract with the
23 department and that are determined by the federal centers for
24 medicare and medicaid services to be subject to the electronic visit
25 verification system requirement.

26 (c) In defining a plan for the electronic visit verification
27 system, the department must explore options to maximize cost-
28 efficiency. Options may include but are not limited to:

- 29 (i) A shared system with other states, and;
30 (ii) Development of a shared system with the consumer-directed
31 employer that will implement an electronic visit verification system
32 for individual providers of home care services.

33 (29)(a) \$20,000 of the general fund—state appropriation for
34 fiscal year 2018 and \$80,000 of the general fund—state appropriation
35 for fiscal year 2019 are provided solely for the department of social
36 and health services aging and long-term support administration to
37 convene an advisory group to accomplish the following:

- 38 (i) To develop a model program to monitor guardians appointed
39 pursuant to Title 11 RCW and to develop recommendations for best

1 practices. The model guardianship monitoring program must provide for
2 oversight of both lay and professional guardians. The advisory group
3 must receive the results of the joint legislative audit and review
4 committee review of currently operating monitoring practices in each
5 county of the state, as required in section 103(15) of this act,
6 which will also be provided to the joint legislative executive
7 committee on aging and disability described in section 206(13) of
8 this act; and

9 (ii) To develop a model in-person training program for use by lay
10 guardians across the state as a supplement to current online
11 training. The advisory group must receive the results of the joint
12 legislative audit and review committee review of currently operating
13 monitoring practices in each county of the state, as required in
14 section 103(15) of this act, which will also be provided to the joint
15 legislative executive committee on aging and disability.

16 (b) The advisory group shall be appointed by the secretary of the
17 department of social and health services, in consultation with
18 stakeholders, and consist of:

19 (i) Individuals with disabilities, family members of individuals
20 with disabilities, and disability advocates, with relevant experience
21 or expertise;

22 (ii) Seniors, family members of seniors, and senior advocates,
23 with relevant experience or expertise;

24 (iii) Representatives of the courts and the elder bar with
25 relevant knowledge or authority;

26 (iv) Professional guardians;

27 (v) At least one individual with expertise in language access;

28 (vi) Providers of health care or health care professionals; and

29 (vii) At least one representative of organized labor with
30 experience in guardianship.

31 (c) The cochairs of the joint legislative executive committee on
32 aging and disability shall appoint two legislators to serve on the
33 advisory group, one from the democratic caucus and one from the
34 republican caucus.

35 (d) Staff support to the committee shall be provided by the
36 department of social and health services aging and long-term support
37 administration.

38 (e) The advisory group shall prepare a report of its findings and
39 recommendations and present its report to the joint legislative
40 executive committee on aging and disability by December 1, 2018.

1 (30) \$92,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the department to contract with a
3 single nonprofit organization that holds an in-home care agency
4 license and operates homeless shelters for a pilot project to test
5 the outcomes of providing personal care services to aged and/or
6 functionally disabled individuals in homeless shelters. The pilot
7 shall examine whether personal care services are effective in
8 creating and maintaining connections between homeless individuals and
9 supportive services such as health care, mental health, and substance
10 abuse services. The department shall submit an interim report by
11 January 15, 2019, and a final report by August 14, 2019, to the
12 governor and appropriate legislative committees.

13 (31) \$40,000 of the general fund—state appropriation for fiscal
14 year 2019 and \$40,000 of the general fund—federal appropriation are
15 provided solely for the department, in partnership with the
16 department of health and the health care authority, to assist a
17 collaborative public-private entity with implementation of
18 recommendations in the state plan to address alzheimer's disease and
19 other dementias.

20 (32) \$3,686,000 of the general fund—private/local appropriation
21 and \$2,548,000 of the general fund—federal appropriation are provided
22 solely to implement Substitute House Bill No. 1792 (residential
23 services and supports). The annual certification renewal fee for
24 community residential service businesses shall be \$908 per client.
25 The annual certification renewal fee may not exceed the department's
26 annual licensing and oversight activity costs. If the bill is not
27 enacted by June 30, 2018, the amounts provided in this subsection
28 shall lapse.

29 (33) \$1,000,000 of the general fund—state appropriation for
30 fiscal year 2019 and \$1,200,000 of the general fund—federal
31 appropriation are provided solely to maintain client access to
32 medicaid contracted assisted living, enhanced adult residential care,
33 and adult residential care services under chapter 74.39A RCW.
34 Licensed assisted living facilities that contract with the department
35 to serve medicaid clients under these specified contract types must
36 have an average medicaid occupancy of at least sixty percent,
37 determined using the medicaid days from the immediately preceding
38 calendar year during the months of July 1st through December 31st to
39 qualify for additional funding under this subsection.

1 (34) \$615,000 of the general fund—state appropriation for fiscal
2 year 2019 and \$698,000 of the general fund—federal appropriation are
3 provided solely to implement Substitute House Bill No. 2651 (personal
4 needs allowance). If the bill is not enacted by June 30, 2018, the
5 amounts provided in this subsection shall lapse.

6 (35) \$19,000 of the general fund—state appropriation for fiscal
7 year 2018, \$35,000 of the general fund—state appropriation for fiscal
8 year 2019, and \$54,000 of the general fund—federal appropriation are
9 provided solely to implement Engrossed House Bill No. 2750 (assisted
10 living facility quality). If the bill is not enacted by June 30,
11 2018, the amounts provided in this subsection shall lapse.

12 (36) \$166,000 of the general fund—state appropriation for fiscal
13 year 2018, \$800,000 of the general fund—state appropriation for
14 fiscal year 2019, and \$1,510,000 of the general fund—federal
15 appropriation are provided solely to implement Substitute House Bill
16 No. 2963 or Engrossed Substitute Senate Bill No. 6199 (consumer
17 directed employer organizations). If neither bill is enacted by June
18 30, 2018, the amounts provided in this subsection shall lapse.

19 (37) \$100,000 of the general fund—state appropriation for fiscal
20 year 2019 and \$100,000 of the general fund—federal appropriation are
21 provided solely for the department of social and health services
22 aging and long-term support administration to contract for an updated
23 actuarial model of the 2016 independent feasibility study and
24 actuarial modeling of public and private options for leveraging
25 private resources to help individuals prepare for long-term services
26 and supports needs. The follow-up study must model alternative
27 variations of the previously studied public long-term care benefit
28 for workers, funded through a payroll deduction that would provide a
29 time-limited long-term care insurance benefit, including but not
30 limited to alternative minimum hours worked per year for vesting.

31 (b) The feasibility study and actuarial analysis must include
32 input from the joint legislative executive committee on aging and
33 disability and other interested stakeholders, and must include an
34 analysis of each variation based on:

- 35 (i) The expected costs and benefits for participants;
36 (ii) The total anticipated number of participants;
37 (iii) The projected savings to the state medicaid program, if
38 any; and
39 (iv) Legal and financial risks to the state.

1 (c) The department must provide status updates to the joint
2 legislative executive committee on aging and disability. The
3 feasibility study and actuarial analysis shall be completed and
4 submitted to the department by September 1, 2018. The department
5 shall submit a report, including the director's findings and
6 recommendations based on the feasibility study and actuarial
7 analysis, to the governor and the appropriate committees of the
8 legislature by October 1, 2018.

9 (38) \$50,000 of the general fund—state appropriation for fiscal
10 year 2019 and \$50,000 of the general fund—federal appropriation are
11 provided solely for the department of social and health services
12 aging and long-term support administration to contract with the area
13 agencies on aging to convene a work group to include long-term care
14 industry members, family members who provide long-term services and
15 supports, and other groups with interest in long-term services and
16 supports to develop a proposal on how family members could be
17 included as providers of long-term services and supports under the
18 previously studied public long-term care benefit. The work group
19 shall review options and propose:

20 (a) Minimum qualifications that would allow a family caregiver to
21 serve as a long-term services and supports provider, which may:

22 (i) Be distinct from the qualifications on the effective date of
23 this act for individual providers;

24 (ii) Require training based primarily on the individual needs and
25 preferences of the beneficiary;

26 (iii) Take into account the existing relationship between the
27 family caregiver and the beneficiary, the duration of the caregiving
28 experience, and the type of care being provided.

29 (b) Administrative program options for providing compensation,
30 benefits, and protections for family caregivers, considering cost-
31 effectiveness and administrative simplification. The program options
32 shall consider how to preserve the quality of the long-term care
33 workforce and must include worker protections and benefits.

34 (c) The work group shall develop recommendations and provide the
35 recommendations to the joint legislative and executive committee on
36 aging and disability by November 15, 2018.

37 **Sec. 207.** 2017 3rd sp.s. c 1 s 207 (uncodified) is amended to
38 read as follows:

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

3	General Fund—State Appropriation (FY 2018).	((\$396,063,000))
4		<u>\$364,376,000</u>
5	General Fund—State Appropriation (FY 2019).	((\$415,638,000))
6		<u>\$378,511,000</u>
7	General Fund—Federal Appropriation.	((\$1,421,095,000))
8		<u>\$1,445,306,000</u>
9	General Fund—Private/Local Appropriation.	\$5,144,000
10	Administrative Contingency Account—State	
11	Appropriation.	\$5,400,000
12	<u>Pension Funding Stabilization Account—State</u>	
13	<u>Appropriation.</u>	<u>\$29,264,000</u>
14	TOTAL APPROPRIATION.	((\$2,243,340,000))
15		<u>\$2,228,001,000</u>

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

18 (1)(a) ((~~\$155,022,000~~)) \$127,164,000 of the general fund—state
19 appropriation for fiscal year 2018, ((~~\$160,136,000~~)) \$128,881,000 of
20 the general fund—state appropriation for fiscal year 2019,
21 \$836,761,000 of the general fund—federal appropriation, ((and))
22 \$5,400,000 of the administrative contingency account—state
23 appropriation, and \$8,155,000 of the pension funding stabilization
24 account—state appropriation are provided solely for all components of
25 the WorkFirst program. Within the amounts provided for the WorkFirst
26 program, the department may provide assistance using state-only funds
27 for families eligible for temporary assistance for needy families.
28 The department must create a WorkFirst budget structure that allows
29 for transparent tracking of budget units and subunits of expenditures
30 where these units and subunits are mutually exclusive from other
31 department budget units. The budget structure must include budget
32 units for the following: Cash assistance, child care, WorkFirst
33 activities, and administration of the program. Within these budget
34 units, the department must develop program index codes for specific
35 activities and develop allotments and track expenditures using these
36 codes. The department shall report to the office of financial
37 management and the relevant fiscal and policy committees of the
38 legislature prior to adopting a structure change.

1 (b) (~~(\$267,057,000)~~) \$261,925,000 of the amounts in (a) of this
2 subsection are provided solely for assistance to clients, including
3 grants, diversion cash assistance, and additional diversion emergency
4 assistance including but not limited to assistance authorized under
5 RCW 74.08A.210. The department may use state funds to provide support
6 to working families that are eligible for temporary assistance for
7 needy families but otherwise not receiving cash assistance. Within
8 amounts provided in (b) of this subsection, \$1,622,000 of the general
9 fund—state appropriation for fiscal year 2019 is provided solely for
10 implementation of Engrossed Substitute Senate Bill No. 5890 (foster
11 care and adoption). If the bill is not enacted by July 31, 2017, the
12 amount provided in this subsection shall lapse. Of the amounts
13 provided in this subsection (1)(b), \$10,565,000 of the general fund—
14 state appropriation for fiscal year 2019 is provided solely for the
15 department to increase the grant standard by eight percent.

16 (c) (~~(\$168,005,000)~~) \$160,490,000 of the amounts in (a) of this
17 subsection are provided solely for WorkFirst job search, education
18 and training activities, barrier removal services, limited English
19 proficiency services, and tribal assistance under RCW 74.08A.040. The
20 department must allocate this funding based on client outcomes and
21 cost effectiveness measures. Amounts provided in (c) of this
22 subsection include funding for implementation of chapter 156, Laws of
23 2017 (2SSB 5347) (WorkFirst "work activity"). Within amounts provided
24 in (c) of this subsection, the department shall implement the working
25 family support program. The department shall adopt rules to take
26 effect July 31, 2017, to limit the working family support program at
27 10,000 households.

28 (~~(i)~~) \$1,700,000 of the funds appropriated in (c) of this
29 subsection are provided solely for enhanced transportation assistance
30 provided that the department prioritize the use of these funds for
31 the recipients most in need of financial assistance to facilitate
32 their return to work. The department must not utilize these funds to
33 supplant repayment arrangements that are currently in place to
34 facilitate the reinstatement of drivers' licenses.

35 (~~(ii) Prior to renewal of intergovernmental TANF agreements with~~
36 ~~a tribe, the department shall request information on the total~~
37 ~~expenditures and total number of clients served in the tribal TANF~~
38 ~~program. When the per client costs in the tribal TANF program have~~
39 ~~increased since the initial agreement, the department may negotiate a~~
40 ~~lower state maintenance of effort level based on the increased~~

1 ~~resources provided by the tribe since the original agreement. The~~
2 ~~department shall report to the office of financial management and the~~
3 ~~fiscal committees of the legislature the revised amount of the state~~
4 ~~maintenance of effort level within two weeks of each newly signed~~
5 ~~intergovernmental TANF agreement.)~~

6 (d)(i) (~~(\$501,608,000)~~) \$478,555,000 of the amounts in (a) of
7 this subsection are provided solely for the working connections child
8 care program under RCW 43.215.135. In order to not exceed the
9 appropriated amount, the department shall manage the program so that
10 the average monthly caseload does not exceed 33,000 households and
11 the department shall give prioritized access into the program
12 according to the following order:

13 (A) Families applying for or receiving temporary assistance for
14 needy families (TANF);

15 (B) TANF families curing sanction;

16 (C) Foster children;

17 (D) Families that include a child with special needs;

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

22 (F) Families with a child residing with a biological parent or
23 guardian who have received child protective services, child welfare
24 services, or a family assessment response from the department in the
25 past six months, and has received a referral for child care as part
26 of the family's case management.

27 (G) Families that received subsidies within the last thirty days
28 and:

29 (I) Have reapplied for subsidies; and

30 (II) Have household income of two hundred percent federal poverty
31 level or below; and

32 (H) All other eligible families.

33 (ii) The department, within existing appropriations, must ensure
34 quality control measures for the working connections child care
35 program by maximizing the use of information technology systems and
36 the development or modification of the application and standard
37 operating procedures to ensure that cases are:

38 (A) Appropriately and accurately processed; and

39 (B) Routinely monitored for eligibility in a manner that is
40 similar to processes and systems currently in place for regular

1 monitoring in other public assistance programs. Eligibility criteria
2 routinely monitored must include, at a minimum:

3 (I) Participation in work or other approved activities;

4 (II) Household composition; and

5 (III) Maximum number of subsidized child care hours authorized.

6 The department must submit a preliminary report by December 1, 2017,
7 and a final report by December 1, 2018, to the governor and the
8 appropriate fiscal and policy committees of the legislature detailing
9 the specific actions taken to implement this subsection.

10 (iii) Of the amounts provided in (d) of this subsection,
11 \$4,620,000 of the appropriation for fiscal year 2018 and \$4,792,000
12 of the appropriation for fiscal year 2019 are provided for a base
13 rate increase, a rate increase for Family Friend and Neighbor
14 providers, covering an increase for health insurance premiums, and
15 increasing paid professional development days from three days to five
16 days. This funding is for the 2017-2019 collective bargaining
17 agreement covering family child care providers as set forth in
18 section 940 of this act.

19 (iv) Of the amounts provided in (d) of this subsection,
20 \$8,547,000 of the general fund—state appropriation for fiscal year
21 2018 and \$10,438,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for subsidy base rate increases
23 for child care center providers.

24 (v) Of the amounts provided in this subsection (1)(d), \$779,000
25 of the general fund—state appropriation for fiscal year 2018 and
26 \$722,000 of the general fund—state appropriation for fiscal year 2019
27 are provided solely for homeless families.

28 (e) \$34,248,000 of the general fund—federal appropriation is
29 provided solely for child welfare services within the department of
30 children, youth, and families.

31 (f) (~~(\$170,442,000)~~) \$171,143,000 of the amounts in (1)(a) of
32 this section are provided solely for WorkFirst and working
33 connections child care administration and overhead. \$127,000 of the
34 funds appropriated in this subsection for fiscal year 2019 are
35 provided solely for implementation of chapter 9, Laws of 2017 3rd sp.
36 sess. (working connections child care).

37 (g) The amounts in subsections (1)(b) through (e) of this section
38 shall be expended for the programs and in the amounts specified.
39 However, the department may transfer up to 10 percent of funding

1 between subsections (1)(b) through (f) of this section. The
2 department shall provide notification prior to any transfer to the
3 office of financial management and to the appropriate legislative
4 committees and the legislative-executive WorkFirst oversight task
5 force. The approval of the director of financial management is
6 required prior to any transfer under this subsection.

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

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

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

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

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

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

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

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

38 (j) The department must submit a report by December 1, 2018, to
39 the governor and the appropriate fiscal and policy committees of the
40 legislature that estimates the caseload and fiscal impact of

1 returning to pre-2011 temporary assistance for needy families
2 policies. At a minimum, the report must include an analysis of the
3 caseload and fiscal impact of:

4 (i) Removing the sixty-month lifetime limit;

5 (ii) Lessening sanction policies; and

6 (iii) No longer requiring the WorkFirst orientation.

7 (2) \$1,657,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$1,657,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for naturalization services.

10 (3) \$2,366,000 of the general fund—state appropriation for fiscal
11 year 2018 is provided solely for employment services for refugees and
12 immigrants, of which \$1,774,000 is provided solely for the department
13 to pass through to statewide refugee and immigrant assistance
14 organizations for limited English proficiency pathway services; and
15 \$2,366,000 of the general fund—state appropriation for fiscal year
16 2019 is provided solely for employment services for refugees and
17 immigrants, of which \$1,774,000 is provided solely for the department
18 to pass through to statewide refugee and immigrant assistance
19 organizations for limited English proficiency pathway services.

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

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

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

38 (7) (~~(\$433,000)~~) \$856,000 of the general fund—state appropriation
39 for fiscal year 2018, (~~(\$451,000)~~) \$2,494,000 of the general fund—

1 state appropriation for fiscal year 2019, and (~~(\$6,451,000)~~)
2 \$17,203,000 of the general fund—federal appropriation are provided
3 solely for ESAR Architectural Development and are subject to the
4 conditions, limitations, and review provided in section 724 of this
5 act.

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

12 (9) \$750,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$750,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for operational support of the
15 Washington information network 211 organization.

16 (10) \$90,000 of the general fund—state appropriation for fiscal
17 year 2018, \$8,000 of the general fund—state appropriation for fiscal
18 year 2019, and \$36,000 of the general fund—federal appropriation are
19 provided solely for implementation of chapter 270, Laws of 2017 (SB
20 5118) (personal needs allowance).

21 (~~(11) (~~(\$127,000 of the general fund state appropriation for~~~~
22 ~~fiscal year 2019 is provided solely for implementation of Substitute~~
23 ~~House Bill No. 1624 (working connections child care). If the bill is~~
24 ~~not enacted by July 31, 2017, the amount provided in this subsection~~
25 ~~shall lapse.))~~ \$438,000 of the general fund—state appropriation for
26 fiscal year 2019 is provided solely for the implementation of
27 Engrossed Substitute House Bill No. 1831 (public assistance/
28 resources). If the bill is not enacted by June 30, 2018, the amount
29 provided in this subsection shall lapse.

30 (12) \$43,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$16,000 of the general fund—state appropriation for
32 fiscal year 2019 is provided solely for the implementation of
33 Engrossed Second Substitute Bill No. 2667 (essential needs/ABD
34 programs). If the bill is not enacted by June 30, 2018, the amount
35 provided in this subsection shall lapse.

36 (13) \$58,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the implementation of Substitute
38 House Bill No. 2651 (personal needs allowance). If the bill is not

1 enacted by June 30, 2018, the amount provided in this subsection
2 shall lapse.

3 (14) \$119,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for the implementation of Second
5 Substitute House Bill No. 1291 (Pacific Islander health care). If the
6 bill is not enacted by June 30, 2018, the amount provided in this
7 subsection shall lapse.

8 **Sec. 208.** 2017 3rd sp.s. c 1 s 208 (uncodified) is amended to
9 read as follows:

10 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ALCOHOL AND**
11 **SUBSTANCE ABUSE PROGRAM**

12	General Fund—State Appropriation (FY 2018).	((\$78,842,000))
13		<u>\$96,763,000</u>
14	((General Fund—State Appropriation (FY 2019).	\$71,308,000))
15	General Fund—Federal Appropriation.	((\$575,249,000))
16		<u>\$301,240,000</u>
17	General Fund—Private/Local Appropriation.	((\$20,211,000))
18		<u>\$10,101,000</u>
19	Criminal Justice Treatment Account—State	
20	Appropriation.	((\$12,978,000))
21		<u>\$6,488,000</u>
22	Problem Gambling Account—State Appropriation.	((\$1,453,000))
23		<u>\$725,000</u>
24	Dedicated Marijuana Account—State Appropriation	
25	(FY 2018).	\$24,802,000
26	((Dedicated Marijuana Account—State Appropriation	
27	(FY 2019).	\$24,802,000))
28	<u>Pension Funding Stabilization Account—State</u>	
29	<u>Appropriation.</u>	<u>\$264,000</u>
30	TOTAL APPROPRIATION.	((\$809,645,000))
31		<u>\$440,383,000</u>

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

34 (1) \$3,278,000 of the dedicated marijuana account—state
35 appropriation for fiscal year 2018 (~~and \$3,278,000 of the dedicated~~
36 ~~marijuana account—state appropriation for fiscal year 2019)) are~~
37 provided solely for a memorandum of understanding with the department
38 of social and health services juvenile rehabilitation administration

1 to provide substance abuse treatment programs for juvenile offenders.
2 Of the amounts provided in this subsection:

3 (a) \$1,130,000 of the dedicated marijuana account—state
4 appropriation for fiscal year 2018 (~~and \$1,130,000 of the dedicated~~
5 ~~marijuana account—state appropriation for fiscal year 2019 are~~) is
6 provided solely for alcohol and substance abuse treatment programs
7 for locally committed offenders. The juvenile rehabilitation
8 administration shall award these funds as described in section 203(4)
9 of this act.

10 (b) \$282,000 of the dedicated marijuana account—state
11 appropriation for fiscal year (~~2017 and \$282,000 of the dedicated~~
12 ~~marijuana account—state appropriation for fiscal year 2019 are~~) 2018
13 is provided solely for the expansion of evidence-based treatments and
14 therapies as described in section 203(2) of this act.

15 (2) During the 2017-19 fiscal biennium, any amounts provided in
16 this section that are used for case management services for pregnant
17 and parenting women must be contracted directly between the
18 department and providers rather than through contracts with
19 behavioral health organizations.

20 (3) Within the amounts appropriated in this section, the
21 department may contract with the University of Washington and
22 community-based providers for the provision of the parent-child
23 assistance program or other specialized chemical dependency case
24 management providers for pregnant, post-partum, and parenting women.
25 For all contractors: (i) Service and other outcome data must be
26 provided to the department by request; and (ii) indirect charges for
27 administering the program shall not exceed ten percent of the total
28 contract amount.

29 (~~(4) \$3,500,000~~) \$1,750,000 of the general fund—federal
30 appropriation (from the substance abuse prevention and treatment
31 federal block grant) is provided solely for the continued funding of
32 existing county drug and alcohol use prevention programs.

33 (5) \$200,000 of the dedicated marijuana account—state
34 appropriation for fiscal year 2018 (~~and \$200,000 of the dedicated~~
35 ~~marijuana account—state appropriation for fiscal year 2019 are~~) is
36 provided solely for a contract with the Washington state institute
37 for public policy to conduct cost-benefit evaluations of the
38 implementation of chapter 3, Laws of 2013 (Initiative Measure No.
39 502).

1 (6) \$500,000 of the dedicated marijuana account—state
2 appropriation for fiscal year 2018 (~~(and \$500,000 of the dedicated~~
3 ~~marijuana account—state appropriation for fiscal year 2019 are))~~) is
4 provided solely to design and administer the Washington state healthy
5 youth survey and the Washington state young adult behavioral health
6 survey.

7 (7) \$396,000 of the dedicated marijuana account—state
8 appropriation for fiscal year 2018 (~~(and \$396,000 of the dedicated~~
9 ~~marijuana account—state appropriation for fiscal year 2019 are))~~) is
10 provided solely for maintaining increased services to pregnant and
11 parenting women provided through the parent child assistance program.

12 (8) \$250,000 of the dedicated marijuana account—state
13 appropriation for fiscal year 2018 (~~(and \$250,000 of the dedicated~~
14 ~~marijuana account—state appropriation for fiscal year 2019 are))~~) is
15 provided solely for a grant to the office of superintendent of public
16 instruction to provide life skills training to children and youth in
17 schools that are in high needs communities.

18 (9) \$386,000 of the dedicated marijuana account—state
19 appropriation for fiscal year 2018 (~~(and \$386,000 of the dedicated~~
20 ~~marijuana account—state appropriation for fiscal year 2019 are))~~) is
21 provided solely to maintain increased prevention and treatment
22 services provided by tribes to children and youth.

23 (10) \$2,684,000 of the dedicated marijuana account—state
24 appropriation for fiscal year 2018(~~(, \$2,684,000 of the dedicated~~
25 ~~marijuana account—state appropriation for fiscal year 2019,))~~) and
26 (~~(\$1,900,000)~~) \$950,000 of the general fund—federal appropriation are
27 provided solely to maintain increased residential treatment services
28 for children and youth.

29 (11) \$250,000 of the dedicated marijuana account—state
30 appropriation for fiscal year 2018 (~~(and \$250,000 of the dedicated~~
31 ~~marijuana account—state appropriation for fiscal year 2019 are))~~) is
32 provided solely for training and technical assistance for the
33 implementation of evidence based, research based, and promising
34 programs which prevent or reduce substance use disorders.

35 (12) \$2,434,000 of the dedicated marijuana account—state
36 appropriation for fiscal year 2018 (~~(and \$2,434,000 of the dedicated~~
37 ~~marijuana account—state appropriation for fiscal year 2019 are))~~) is
38 provided solely for expenditure into the home visiting services
39 account.

1 (13) \$2,500,000 of the dedicated marijuana account—state
2 appropriation for fiscal year 2018 (~~and \$2,500,000 of the dedicated~~
3 ~~marijuana account—state appropriation for fiscal year 2019 are~~) is
4 provided solely for grants to community-based programs that provide
5 prevention services or activities to youth, including programs for
6 school-based resource officers. These funds must be utilized in
7 accordance with RCW 69.50.540.

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

26 (15) (~~(\$1,125,000)~~) \$563,000 of the general fund—federal
27 appropriation is provided solely for the department to develop a
28 memorandum of understanding with the department of health for
29 implementation of chapter 297, Laws of 2017 (ESHB 1427) (opioid
30 treatment programs). The department must use these amounts to
31 reimburse the department of health for costs incurred through the
32 implementation of the bill.

33 (16) \$891,000 of the general fund—state appropriation for fiscal
34 year 2018(~~(, \$2,580,000 of the general fund—state appropriation for~~
35 ~~fiscal year 2019,)) and (~~(\$2,755,000)~~) \$435,000 of the general fund—
36 federal appropriation are provided solely for the development and
37 operation of two secure detoxification facilities. The department
38 must not use any of these amounts for services in facilities that are
39 subject to federal funding restrictions that apply to institutions~~

1 for mental diseases, unless they have received a waiver that allows
2 for full federal participation in these facilities.

3 (17) (~~(\$1,000,000)~~) \$500,000 of the criminal justice treatment
4 account—state appropriation is provided solely to maintain increased
5 funding for substance abuse treatment and support services for
6 offenders and support of drug courts.

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

19 (19) \$100,000 of the general fund—state appropriation for fiscal
20 year 2018 (~~(and \$100,000 of the general fund—state appropriation for~~
21 ~~fiscal year 2019 are))~~) is provided solely for parenting education
22 services focused on pregnant and parenting women.

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

26 (21) In accordance with RCW 70.96A.090, 71.24.035, 43.20B.110,
27 and 43.135.055, the department is authorized to adopt fees for the
28 review and approval of mental health and substance use disorder
29 treatment programs in fiscal (~~(years))~~) year 2018 (~~(and 2019))~~) as
30 necessary to support the costs of the regulatory program. The
31 department's fee schedule shall have differential rates for providers
32 with proof of accreditation from organizations that the department
33 has determined to have substantially equivalent standards to those of
34 the department, including but not limited to the joint commission on
35 accreditation of health care organizations, the commission on
36 accreditation of rehabilitation facilities, and the council on
37 accreditation. To reflect the reduced costs associated with
38 regulation of accredited programs, the department's fees for
39 organizations with such proof of accreditation must reflect the lower

1 cost of licensing for these programs than for other organizations
2 which are not accredited. To the extent that the fees charged in
3 fiscal year 2018 are not expected to fully cover the cost of the
4 program, the department must submit a report to the office of
5 financial management and the appropriate fiscal committees of the
6 legislature identifying what further increases would be required and
7 the differential impact on providers. This report must be submitted
8 by December 1, 2017.

9 (22) \$31,995,000 of the general fund—state appropriation for
10 fiscal year 2018 is provided solely to assist behavioral health
11 organizations with the costs of providing services to medicaid
12 clients receiving services in psychiatric facilities classified as
13 institutions of mental diseases. The department must distribute these
14 amounts proportionate to the number of bed days for medicaid clients
15 in institutions for mental diseases that were excluded from
16 behavioral health organization fiscal year 2018 capitation rates
17 because they exceeded the amounts allowed under federal regulations.
18 The department must also use these amounts to directly pay for costs
19 that are ineligible for medicaid reimbursement in institutions of
20 mental disease facilities for American Indian and Alaska Natives who
21 opt to receive behavioral health services on a fee-for-service basis.
22 The amounts used for these individuals must be reduced from the
23 allocation of the behavioral health organization where the individual
24 resides. If a behavioral health organization receives more funding
25 through this subsection than is needed to pay for the cost of their
26 medicaid clients in institutions for mental diseases, they must use
27 the remainder of the amounts to provide other services not covered
28 under the medicaid program. The department must apply for a waiver
29 from the center for medicaid and medicare services to allow for the
30 full cost of stays in institutions of mental diseases to be included
31 in fiscal year 2019 behavioral health organization capitation rates.
32 The department may tailor the fiscal year 2019 waiver to specific
33 populations for which the center for medicaid and medicare services
34 has indicated they are likely to approve and work to further expand
35 the waiver to other populations in fiscal year 2020.

36 **Sec. 209.** 2017 3rd sp.s. c 1 s 209 (uncodified) is amended to
37 read as follows:

38 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—VOCATIONAL**
39 **REHABILITATION PROGRAM**

1	General Fund—State Appropriation (FY 2018).	((\$14,899,000))
2		<u>\$13,890,000</u>
3	General Fund—State Appropriation (FY 2019).	((\$15,603,000))
4		<u>\$14,594,000</u>
5	General Fund—Federal Appropriation.	((\$97,328,000))
6		<u>\$109,730,000</u>
7	<u>Pension Funding Stabilization Account—State</u>	
8	<u>Appropriation.</u>	<u>\$2,024,000</u>
9	TOTAL APPROPRIATION.	((\$127,830,000))
10		<u>\$140,238,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations: The department of social and health
13 services vocational rehabilitation program shall participate in the
14 development of an implementation plan to build statewide capacity
15 among school districts to improve transition planning for students in
16 special education who meet criteria for services from the
17 developmental disabilities administration, pursuant to section
18 501(68) of this act.

19 **Sec. 210.** 2017 3rd sp.s. c 1 s 210 (uncodified) is amended to
20 read as follows:

21 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—SPECIAL COMMITMENT**
22 **PROGRAM**

23	General Fund—State Appropriation (FY 2018).	((\$45,488,000))
24		<u>\$46,202,000</u>
25	General Fund—State Appropriation (FY 2019).	((\$46,173,000))
26		<u>\$47,375,000</u>
27	<u>Pension Funding Stabilization Account—State</u>	
28	<u>Appropriation.</u>	<u>\$4,858,000</u>
29	TOTAL APPROPRIATION.	((\$91,661,000))
30		<u>\$98,435,000</u>

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

36 **Sec. 211.** 2017 3rd sp.s. c 1 s 211 (uncodified) is amended to
37 read as follows:

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ADMINISTRATION AND**
2 **SUPPORTING SERVICES PROGRAM**

3	General Fund—State Appropriation (FY 2018).	((\$36,681,000))
4		<u>\$33,757,000</u>
5	General Fund—State Appropriation (FY 2019).	((\$30,791,000))
6		<u>\$31,754,000</u>
7	General Fund—Federal Appropriation.	((\$39,963,000))
8		<u>\$44,783,000</u>
9	((General Fund—Private/Local Appropriation.	\$654,000))
10	<u>Pension Funding Stabilization Account—State</u>	
11	<u>Appropriation.</u>	<u>\$6,247,000</u>
12	TOTAL APPROPRIATION.	((\$108,089,000))
13		<u>\$116,541,000</u>

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

16 (1) \$300,000 of the general fund—state appropriation for fiscal
17 year 2018 and ((~~\$300,000~~)) \$500,000 of the general fund—state
18 appropriation for fiscal year 2019 are provided solely for a
19 Washington state mentoring organization to continue its public-
20 private partnerships to provide technical assistance and training to
21 mentoring programs that serve at-risk youth.

22 (2) Within amounts appropriated in this section, the department
23 shall provide to the department of health, where available, the
24 following data for all nutrition assistance programs funded by the
25 United States department of agriculture and administered by the
26 department. The department must provide the report for the preceding
27 federal fiscal year by February 1, 2018, and February 1, 2019. The
28 report must provide:

29 (a) The number of people in Washington who are eligible for the
30 program;

31 (b) The number of people in Washington who participated in the
32 program;

33 (c) The average annual participation rate in the program;

34 (d) Participation rates by geographic distribution; and

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

36 (3) \$1,216,000 of the general fund—state appropriation for fiscal
37 year 2019 and \$515,000 of the general fund—federal appropriation are
38 provided solely for the implementation of Engrossed Second Substitute
39 House Bill No. 1661 (child, youth, families department). If the bill

1 is not enacted by July 31, 2017, the amount provided in this
2 subsection shall lapse.

3 (4) \$81,000 of the general fund—state appropriation for fiscal
4 year 2018, \$86,000 of the general fund—state appropriation for fiscal
5 year 2019, and \$167,000 of the general fund—federal appropriation are
6 provided solely for the implementation of an agreement reached
7 between the governor and the Washington federation of state employees
8 for the language access providers under the provisions of chapter
9 41.56 RCW for the 2017-2019 fiscal biennium. Funding is contingent
10 upon the enactment of Senate Bill No. 5969 (transparency in public
11 employee collective bargaining). If the bill is not enacted by July
12 31, 2017, the amounts provided is this subsection shall lapse.

13 (5) \$2,031,000 of the general fund—state appropriation for fiscal
14 year 2019 and \$816,000 of the general fund—federal appropriation for
15 fiscal year 2019 are provided solely for a time, leave, and
16 attendance scheduling system and are subject to the conditions,
17 limitations, and review provided in section 724, chapter 1, Laws of
18 2017 3rd sp. sess. The department shall examine business practices
19 and coordinate with the department of enterprise services and the
20 department of transportation regarding the scheduling system.

21 **Sec. 212.** 2017 3rd sp.s. c 1 s 212 (uncodified) is amended to
22 read as follows:

23 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER**
24 **AGENCIES PROGRAM**

25	General Fund—State Appropriation (FY 2018).	((\$81,319,000))
26		<u>\$82,017,000</u>
27	General Fund—State Appropriation (FY 2019).	((\$43,380,000))
28		<u>\$42,354,000</u>
29	General Fund—Federal Appropriation.	((\$57,578,000))
30		<u>\$57,287,000</u>
31	TOTAL APPROPRIATION.	((\$182,277,000))
32		<u>\$181,658,000</u>

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

35 (1) \$39,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$11,000 of the general fund—federal appropriation are
37 provided solely for the implementation of Engrossed Second Substitute
38 House Bill No. 1661 (child, youth, families department). If the bill

1 is not enacted by July 31, 2017, the amounts provided in this
2 subsection shall lapse.

3 (2) \$12,000 of the general fund—state appropriation for fiscal
4 year 2018, \$12,000 of the general fund—state appropriation for fiscal
5 year 2019, and \$24,000 of the general fund—federal appropriation are
6 provided solely for the implementation of chapter 268, Laws of 2017
7 (2SHB 1402) (incapacitated persons/rights).

8 **Sec. 213.** 2017 3rd sp.s. c 1 s 213 (uncodified) is amended to
9 read as follows:

10 **FOR THE STATE HEALTH CARE AUTHORITY**

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

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

23 The health care authority shall not initiate any services that
24 require expenditure of state general fund moneys unless expressly
25 authorized in this act or other law. The health care authority may
26 seek, receive, and spend, under RCW 43.79.260 through 43.79.282,
27 federal moneys not anticipated in this act as long as the federal
28 funding does not require expenditure of state moneys for the program
29 in excess of amounts anticipated in this act. If the health care
30 authority receives unanticipated unrestricted federal moneys, those
31 moneys shall be spent for services authorized in this act or in any
32 other legislation providing appropriation authority, and an equal
33 amount of appropriated state general fund moneys shall lapse. Upon
34 the lapsing of any moneys under this subsection, the office of
35 financial management shall notify the legislative fiscal committees.
36 As used in this subsection, "unrestricted federal moneys" includes
37 block grants and other funds that federal law does not require to be

1 spent on specifically defined projects or matched on a formula basis
2 by state funds.

3 The appropriations to the health care authority in this act shall
4 be expended for the programs and in the amounts specified in this
5 act. To the extent that appropriations in this section are
6 insufficient to fund actual expenditures in excess of caseload
7 forecasts and utilization assumptions, the authority, after May 1,
8 2018, may transfer general fund—state appropriations for fiscal year
9 2018 that are provided solely for a specified purpose. The authority
10 may not transfer funds, and the director of the office of financial
11 management shall not approve the transfer, unless the transfer is
12 consistent with the objective of conserving, to the maximum extent
13 possible, the expenditure of state funds. The director of the office
14 of financial management shall notify the appropriate fiscal
15 committees of the senate and house of representatives in writing
16 seven days prior to approving any allotment modifications or
17 transfers under this subsection. The written notification must
18 include a narrative explanation and justification of changes, along
19 with expenditures and allotments by budget unit and appropriation,
20 both before and after any allotment modifications and transfers.

21 (1) MEDICAL ASSISTANCE

22	General Fund—State Appropriation (FY 2018)	((\$2,065,747,000))
23		<u>\$2,024,873,000</u>
24	General Fund—State Appropriation (FY 2019).	((\$2,114,943,000))
25		<u>\$2,083,021,000</u>
26	General Fund—Federal Appropriation.	((\$11,503,815,000))
27		<u>\$11,823,270,000</u>
28	General Fund—Private/Local Appropriation.	((\$232,300,000))
29		<u>\$204,427,000</u>
30	Emergency Medical Services and Trauma Care Systems	
31	Trust Account—State Appropriation.	\$15,086,000
32	Hospital Safety Net Assessment Account—State	
33	Appropriation.	((\$725,012,000))
34		<u>\$693,099,000</u>
35	Medicaid Fraud Penalty Account—State Appropriation.	\$28,163,000
36	Medical Aid Account—State Appropriation.	\$528,000
37	Dedicated Marijuana Account—State Appropriation	
38	(FY 2018).	((\$16,205,000))
39		<u>\$17,616,000</u>

1	Dedicated Marijuana Account—State Appropriation	
2	(FY 2019).	((\$17,039,000))
3		<u>\$18,396,000</u>
4	((State Health Care Authority Administrative Account—	
5	State Appropriation.	\$7,000))
6	<u>Pension Funding Stabilization Account—State</u>	
7	<u>Appropriation.</u>	<u>\$4,538,000</u>
8	TOTAL APPROPRIATION.	((\$16,718,845,000))
9		<u>\$16,913,017,000</u>

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

12 (a) \$256,645,000 of the general fund—state appropriation for
13 fiscal year 2018 and \$264,704,000 of the general fund—state
14 appropriation for fiscal year 2019 are provided solely for the
15 authority to implement a single, standard medicaid preferred drug
16 list to be used by all contracted medicaid managed health care
17 systems, on or before January 1, 2018. The preferred drug list shall
18 be developed in consultation with all contracted managed health care
19 systems and the state pharmacy and therapeutics committee or drug
20 utilization review board and shall further the goals and objectives
21 of the medicaid program. The list shall be designed to maximize
22 federal rebates and supplemental rebates and ensure access to
23 clinically effective and appropriate drug therapies under each class.
24 Entities eligible for 340B drug pricing shall continue to operate
25 under their current pricing agreement, unless otherwise required by
26 federal laws or regulations. The authority may utilize external
27 consultants with expertise in evidence-based drug class reviews,
28 pharmacy benefit management, and purchasing to assist with the
29 completion of this development and implementation. The authority
30 shall require each managed care organization that has contracted with
31 the authority to provide care to medicaid beneficiaries to use the
32 established preferred drug list; and shall prohibit each managed care
33 organization and any of its agents from negotiating or collecting
34 rebates for any medications listed in the state's medicaid single
35 preferred drug list whether preferred or nonpreferred. To assist in
36 the implementation of the single preferred drug list, contracted
37 medicaid managed health care systems shall provide the authority
38 drug-specific financial information in a format and frequency
39 determined by the authority to include the actual amounts paid to

1 pharmacies for prescription drugs dispensed to covered individuals
2 compared to the cost invoiced to the health plan and individual
3 rebates collected for prescription drugs dispensed to medicaid
4 members. Information disclosed to the authority by the manufacturer
5 pursuant to this provision shall only be used for the purposes of
6 developing and implementing a single, standard state preferred drug
7 list in accordance with this provision. The authority, medicaid
8 managed care organizations, and all other parties shall maintain the
9 confidentiality of drug-specific financial and other proprietary
10 information and such information shall not be subject to the
11 Washington public records act. The authority shall provide a report
12 to the governor and appropriate committees of the legislature by
13 November 15, 2018, and by November 15, 2019, including a comparison
14 of the amount spent in the previous two fiscal years to expenditures
15 under the new system by, at a minimum, fund source, total
16 expenditure, drug class, and top twenty-five drugs. The data provided
17 to the authority shall be aggregated in any report by the authority,
18 the legislature, or the office of financial management so as not to
19 disclose the proprietary or confidential drug-specific information,
20 or the proprietary or confidential information that directly or
21 indirectly identifies financial information linked to a single
22 manufacturer. It is the intent of the legislature to revisit this
23 policy in subsequent biennia to determine whether it is in the best
24 interest of the state.

25 (b) (~~(\$118,813,000)~~) \$113,356,000 of the general fund—state
26 appropriation for fiscal year 2018 and (~~(\$120,265,000)~~) \$140,578,000
27 of the general fund—state appropriation for fiscal year 2019 are
28 provided solely for (~~holding~~) managed care capitation (~~rates flat~~
29 ~~at calendar year 2017 levels in state fiscal years and calendar years~~
30 ~~2018 and 2019~~) payments.

31 (c) \$122,244,000 of the general fund—state appropriation for
32 fiscal year 2018 and \$116,038,000 of the general fund—state
33 appropriation for fiscal year 2019 are provided solely for the
34 authority through the competitive procurement process, to contract
35 with licensed dental health plans or managed health care plans on a
36 prepaid or fixed-sum risk basis to provide carved-out managed dental
37 care services on a statewide basis that will result in greater
38 efficiency and will facilitate better access and oral health outcomes
39 for medicaid enrollees. Except in areas where only a single plan is

1 available, the authority must contract with at least two plans. The
2 authority shall include in the contracts: (i) Quarterly reporting
3 requirements to include medicaid utilization and encounter data by
4 current dental technology (CDT) code; (ii) a direction to increase
5 the dental provider network; (iii) a commitment to retain innovative
6 programs that improve access and care such as the access to baby and
7 child dentistry program; (iv) a program to reduce emergency room use
8 for dental purposes; (v) a requirement to ensure that dental care is
9 being coordinated with the primary care provider of the patient to
10 ensure integrated care; (vi) a provision that no less than eighty-
11 five percent of the contracting fee be used to directly offset the
12 cost of providing direct patient care as opposed to administrative
13 costs; and (vii) a provision to ensure the contracting fee shall be
14 sufficient to compensate county health departments and federally
15 qualified health centers for dental patient care. The plan(s) awarded
16 this contract must absorb all start-up costs associated with moving
17 the program from fee-for-service to managed care and shall commit to
18 achieving an overall savings to the program based on 2016 fee-for-
19 service experience. In order to comply with state insurance
20 underwriting standards, the authority shall ensure that savings
21 offered by dental plans are actuarially sound. Starting January 31,
22 2019, and every year thereafter through December 2024, the authority
23 shall submit an annual report to the governor and the appropriate
24 committees of the legislature detailing how the contracted entities
25 have met the requirements of the contract. The report shall include
26 specific information to include utilization, how the contracted
27 entities have increased their dental provider networks, how the
28 emergency room use for dental purposes has been reduced, and how
29 dental care has been integrated with patients' primary care
30 providers. If after the end of five years the data reported does not
31 demonstrate sufficient progress to address the stated contracted
32 goals, the legislature will reevaluate whether carved-out dental
33 managed care needs to be replaced with a different delivery model.
34 The authority is authorized to seek any necessary state plan
35 amendments or federal waivers to implement this subsection.
36 Additional dental program savings achieved by the plans beyond those
37 assumed in the 2017-2019 omnibus appropriations act will be used to
38 increase dental provider reimbursement rates.

39 ~~(d) ((\$1,540,849,000 of the general fund state appropriation for~~
40 ~~fiscal year 2018 and \$1,585,513,000 of the general fund state~~

1 ~~appropriation for fiscal year 2019 are provided solely for medicaid~~
2 ~~services and the medicaid program. However,)) By October 30, 2018,~~
3 ~~the authority shall report to the governor and the appropriate~~
4 ~~committees of the legislature anticipated savings related to~~
5 ~~reduction in dental emergency department visits and utilization once~~
6 ~~managed care dental coverage begins.~~

7 (e) No later than November 1, 2018, and each year thereafter, the
8 authority shall report to the governor and appropriate committees of
9 the legislature: (i) Savings attributed to behavioral and physical
10 integration in areas that are scheduled to integrate in the following
11 calendar year, and (ii) savings attributed to behavioral and physical
12 health integration and the level of savings achieved in areas that
13 have integrated behavioral and physical health.

14 (f) The authority shall not accept or expend any federal funds
15 received under a medicaid transformation waiver under healthier
16 Washington except as described in (~~(e) and (f)~~) (g) and (h) of this
17 subsection until specifically approved and appropriated by the
18 legislature. To ensure compliance with legislative directive budget
19 requirements and terms and conditions of the waiver, the authority
20 shall implement the waiver and reporting requirements with oversight
21 from the office of financial management. The legislature finds that
22 appropriate management of the innovation waiver requires better
23 analytic capability, transparency, consistency, timeliness, accuracy,
24 and lack of redundancy with other established measures and that the
25 patient must be considered first and foremost in the implementation
26 and execution of the demonstration waiver. In order to effectuate
27 these goals, the authority shall: (i) Require the Dr. Robert Bree
28 collaborative and the health technology assessment program to reduce
29 the administrative burden upon providers by only requiring
30 performance measures that are nonduplicative of other nationally
31 established measures. The joint select committee on health care
32 oversight will evaluate the measures chosen by the collaborative and
33 the health technology assessment program for effectiveness and
34 appropriateness; (ii) develop a patient satisfaction survey with the
35 goal to gather information about whether it was beneficial for the
36 patient to use the center of excellence location in exchange for
37 additional out-of-pocket savings; (iii) ensure patients and health
38 care providers have significant input into the implementation of the
39 demonstration waiver, in order to ensure improved patient health
40 outcomes; and (iv) in cooperation with the department of social and

1 health services, consult with and provide notification of work on
2 applications for federal waivers, including details on waiver
3 duration, financial implications, and potential future impacts on the
4 state budget, to the joint select committee on health care oversight
5 prior to submitting waivers for federal approval. By federal
6 standard, the medicaid transformation demonstration waiver shall not
7 exceed the duration originally granted by the centers for medicare
8 and medicaid services and any programs created or funded by this
9 waiver do not create an entitlement.

10 ((+e)) (g) No more than (~~(\$479,600,000)~~) \$486,683,000 of the
11 general fund—federal appropriation and no more than (~~(\$154,289,000)~~)
12 \$129,103,000 of the general fund—local appropriation may be expended
13 for transformation through accountable communities of health
14 described in initiative 1 of the medicaid transformation
15 demonstration wavier under healthier Washington, including preventing
16 youth drug use, opioid prevention and treatment, and physical and
17 behavioral health integration. Under this initiative, the authority
18 shall take into account local input regarding community needs. In
19 order to ensure transparency to the appropriate fiscal committees of
20 the legislature, the authority shall provide fiscal staff of the
21 legislature query ability into any database of the fiscal
22 intermediary that authority staff would be authorized to access. The
23 authority shall not increase general fund—state expenditures under
24 this initiative. The director shall report to the joint select
25 committee on health care oversight no less than quarterly, and
26 include details for each accountable community of health, on the
27 financial status and measurable health outcomes. The director shall
28 also report to the fiscal committees of the legislature all of the
29 expenditures under this subsection and shall provide such fiscal data
30 in the time, manner, and form requested by the legislative fiscal
31 committees. By December 15, 2019, the authority in collaboration with
32 each accountable community of health shall demonstrate how it will be
33 self-sustaining by the end of the demonstration waiver period,
34 including sources of outside funding, and provide this reporting to
35 the joint select committee on health care oversight. If by the third
36 year of the demonstration waiver there are not measurable, improved
37 patient outcomes and financial returns, the Washington state
38 institute for public policy will conduct an audit of the accountable
39 communities of health, in addition to the process set in place

1 through the independent evaluation required by the agreement with
2 centers for medicare and medicaid services. Prior to the 2018
3 legislative session, the human services, health care, and judiciary
4 committees of the legislature will convene a joint work session to
5 review models in the delivery system and the impacts on medical
6 liability. The work sessions should include integrated delivery
7 models with multiple health care providers and medical malpractice
8 insurance carriers.

9 ~~((f))~~ (h) No more than ~~((42,584,000))~~ \$38,425,000 of the
10 general fund—federal appropriation may be expended for supported
11 housing and employment services described in initiative 3a and 3b of
12 the medicaid transformation demonstration waiver under healthier
13 Washington. Under this initiative, the authority and the department
14 of social and health services shall ensure that allowable and
15 necessary services are provided to eligible clients as identified by
16 the department or its third party administrator. The authority and
17 the department in consultation with the medicaid forecast work group,
18 shall ensure that reasonable reimbursements are established for
19 services deemed necessary within an identified limit per individual.
20 The authority shall not increase general fund—state expenditures
21 under this initiative. The director shall report to the joint select
22 committee on health care oversight no less than quarterly on
23 financial and health outcomes. The director shall also report to the
24 fiscal committees of the legislature all of the expenditures of this
25 subsection and shall provide such fiscal data in the time, manner,
26 and form requested by the legislative fiscal committees.

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

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

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

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

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

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

20 ~~((m))~~ (o) \$4,261,000 of the general fund—state appropriation
21 for fiscal year 2018, \$4,261,000 of the general fund—state
22 appropriation for fiscal year 2019, and \$8,522,000 of the general
23 fund—federal appropriation are provided solely for low-income
24 disproportionate share hospital payments.

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

31 ~~((o))~~ (q) \$6,000,000 of the general fund—federal appropriation
32 is provided solely for supplemental payments to nursing homes
33 operated by public hospital districts. The public hospital district
34 shall be responsible for providing the required nonfederal match for
35 the supplemental payment, and the payments shall not exceed the
36 maximum allowable under federal rules. It is the legislature's intent
37 that the payments shall be supplemental to and shall not in any way
38 offset or reduce the payments calculated and provided in accordance
39 with part E of chapter 74.46 RCW. It is the legislature's further

1 intent that costs otherwise allowable for rate-setting and settlement
2 against payments under chapter 74.46 RCW shall not be disallowed
3 solely because such costs have been paid by revenues retained by the
4 nursing home from these supplemental payments. The supplemental
5 payments are subject to retrospective interim and final cost
6 settlements based on the nursing homes' as-filed and final medicare
7 cost reports. The timing of the interim and final cost settlements
8 shall be at the health care authority's discretion. During either the
9 interim cost settlement or the final cost settlement, the health care
10 authority shall recoup from the public hospital districts the
11 supplemental payments that exceed the medicaid cost limit and/or the
12 medicare upper payment limit. The health care authority shall apply
13 federal rules for identifying the eligible incurred medicaid costs
14 and the medicare upper payment limit.

15 ~~((p))~~ (r) The health care authority shall continue the
16 inpatient hospital certified public expenditures program for the
17 2017-2019 fiscal biennium. The program shall apply to all public
18 hospitals, including those owned or operated by the state, except
19 those classified as critical access hospitals or state psychiatric
20 institutions. The health care authority shall submit reports to the
21 governor and legislature by November 1, 2017, and by November 1,
22 2018, that evaluate whether savings continue to exceed costs for this
23 program. If the certified public expenditures (CPE) program in its
24 current form is no longer cost-effective to maintain, the health care
25 authority shall submit a report to the governor and legislature
26 detailing cost-effective alternative uses of local, state, and
27 federal resources as a replacement for this program. During fiscal
28 year 2018 and fiscal year 2019, hospitals in the program shall be
29 paid and shall retain one hundred percent of the federal portion of
30 the allowable hospital cost for each medicaid inpatient fee-for-
31 service claim payable by medical assistance and one hundred percent
32 of the federal portion of the maximum disproportionate share hospital
33 payment allowable under federal regulations. Inpatient medicaid
34 payments shall be established using an allowable methodology that
35 approximates the cost of claims submitted by the hospitals. Payments
36 made to each hospital in the program in each fiscal year of the
37 biennium shall be compared to a baseline amount. The baseline amount
38 will be determined by the total of (i) the inpatient claim payment
39 amounts that would have been paid during the fiscal year had the
40 hospital not been in the CPE program based on the reimbursement rates

1 developed, implemented, and consistent with policies approved in the
2 2017-2019 biennial operating appropriations act and in effect on July
3 1, 2015, (ii) one-half of the indigent assistance disproportionate
4 share hospital payment amounts paid to and retained by each hospital
5 during fiscal year 2005, and (iii) all of the other disproportionate
6 share hospital payment amounts paid to and retained by each hospital
7 during fiscal year 2005 to the extent the same disproportionate share
8 hospital programs exist in the 2017-2019 fiscal biennium. If payments
9 during the fiscal year exceed the hospital's baseline amount, no
10 additional payments will be made to the hospital except the federal
11 portion of allowable disproportionate share hospital payments for
12 which the hospital can certify allowable match. If payments during
13 the fiscal year are less than the baseline amount, the hospital will
14 be paid a state grant equal to the difference between payments during
15 the fiscal year and the applicable baseline amount. Payment of the
16 state grant shall be made in the applicable fiscal year and
17 distributed in monthly payments. The grants will be recalculated and
18 redistributed as the baseline is updated during the fiscal year. The
19 grant payments are subject to an interim settlement within eleven
20 months after the end of the fiscal year. A final settlement shall be
21 performed. To the extent that either settlement determines that a
22 hospital has received funds in excess of what it would have received
23 as described in this subsection, the hospital must repay the excess
24 amounts to the state when requested. (~~(\$10,575,000)~~) \$359,000 of the
25 general fund—state appropriation for fiscal year 2018 and
26 (~~(\$13,185,000)~~) \$361,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for state grants for the
28 participating hospitals.

29 (~~(s)~~) (s) The health care authority shall seek public-private
30 partnerships and federal funds that are or may become available to
31 provide on-going support for outreach and education efforts under the
32 federal children's health insurance program reauthorization act of
33 2009.

34 (~~(t)~~) (t) The health care authority shall target funding for
35 maternity support services towards pregnant women with factors that
36 lead to higher rates of poor birth outcomes, including hypertension,
37 a preterm or low birth weight birth in the most recent previous
38 birth, a cognitive deficit or developmental disability, substance
39 abuse, severe mental illness, unhealthy weight or failure to gain
40 weight, tobacco use, or African American or Native American race. The

1 health care authority shall prioritize evidence-based practices for
2 delivery of maternity support services. To the extent practicable,
3 the health care authority shall develop a mechanism to increase
4 federal funding for maternity support services by leveraging local
5 public funding for those services.

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

18 ~~((t))~~ (v) Managed care contracts must incorporate
19 accountability measures that monitor patient health and improved
20 health outcomes, and shall include an expectation that each patient
21 receive a wellness examination that documents the baseline health
22 status and allows for monitoring of health improvements and outcome
23 measures.

24 ~~((u))~~ (w) Sufficient amounts are appropriated in this section
25 for the authority to provide an adult dental benefit.

26 ~~((v))~~ (x) The health care authority shall coordinate with the
27 department of social and health services to provide referrals to the
28 Washington health benefit exchange for clients that will be
29 ineligible for medicaid.

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

38 ~~((x))~~ (z) \$90,000 of the general fund—state appropriation for
39 fiscal year 2018, \$90,000 of the general fund—state appropriation for

1 fiscal year 2019, and \$180,000 of the general fund—federal
2 appropriation are provided solely to continue operation by a
3 nonprofit organization of a toll-free hotline that assists families
4 to learn about and enroll in the apple health for kids program.

5 ~~((y))~~ (aa) The appropriations in this section reflect savings
6 and efficiencies by transferring children receiving medical care
7 provided through fee-for-service to medical care provided through
8 managed care.

9 ~~((z))~~ (bb) Within the amounts appropriated in this section, the
10 authority shall reimburse for primary care services provided by
11 naturopathic physicians.

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

18 ~~((bb))~~ (dd) Sufficient amounts are appropriated in this section
19 to remove the mental health visit limit and to provide the shingles
20 vaccine and screening, brief intervention, and referral to treatment
21 benefits that are available in the medicaid alternative benefit plan
22 in the classic medicaid benefit plan.

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

29 ~~((dd))~~ (ff) \$127,000 of the general fund—state appropriation
30 for fiscal year 2018 and \$1,144,000 of the general fund—federal
31 appropriation are provided solely to the ProviderOne provider
32 overtime project and are subject to the conditions, limitations, and
33 review provided in section 724 of this act.

34 ~~((ee))~~ (gg) \$175,000 of the general fund—state appropriation
35 for fiscal year 2018 and \$825,000 of the general fund—federal
36 appropriation are provided solely to the ProviderOne CORE operating
37 rules project and are subject to the conditions, limitations, and
38 review provided in section 724 of this act.

1 ~~((ff))~~ ~~\$2,200,000~~) (hh) \$1,483,000 of the general fund—state
2 appropriation for fiscal year 2018 ~~((and \$2,701,000))~~, \$1,594,000 of
3 the general fund—state appropriation for fiscal year 2019, and
4 \$1,509,000 of the general fund—federal appropriation are provided
5 ~~((solely))~~ for a rate increase effective July 1, 2018 and performance
6 payments to reward successful beneficiary engagement in the health
7 homes program for ~~((dual-eligible))~~ fee-for-service enrollees and
8 these are the maximum amounts in each fiscal year the authority may
9 expend for this purpose.

10 ~~((gg))~~ (ii) \$450,000 of the general fund—state appropriation
11 for fiscal year 2018, \$450,000 of the general fund—state
12 appropriation for fiscal year 2019, and \$1,058,000 of the general
13 fund—federal appropriation are provided solely for the authority to
14 hire ten nurse case managers to coordinate medically assisted
15 treatment and movements to medical homes for those being treated for
16 opioid use disorder. Nurses shall be located in areas and provider
17 settings with the highest concentration of opioid use disorder
18 patients.

19 ~~((hh))~~ (jj) Sufficient amounts are appropriated in this section
20 for the authority to provide a collaborative care benefit beginning
21 July 1, 2017.

22 ~~((ii))~~ (kk) The authority and the department of social and
23 health services shall convene a work group consisting of
24 representatives of skilled nursing facilities, adult family homes,
25 assisted living facilities, managers of in-home long-term care,
26 hospitals, and managed health care systems. The work group shall
27 identify barriers that may prevent skilled nursing facilities from
28 accepting and admitting clients from acute care hospitals in a timely
29 and appropriate manner. The work group shall consider what additional
30 resources are needed to allow for faster transfers of enrollees,
31 including those with complex needs. By December 1, 2017, the
32 authority shall report the work group's findings to the governor and
33 the appropriate committees of the legislature.

34 ~~((jj))~~ (ll) Within the amounts appropriated within this
35 section, the authority shall implement the plan to show how improved
36 access to home health nursing reduces potentially preventable
37 readmissions, increases access to care, reduces hospital length of
38 stay, and prevents overall hospital admissions for clients receiving
39 private duty nursing, medically intensive care, or home health

1 benefits as described in their report to the legislature dated
2 December 15, 2016, entitled home health nursing. The authority shall
3 report to the governor and appropriate committees of the legislature
4 by December 31, 2017, information regarding the effect of the ten
5 dollar rate increases for skilled nursing care delivered via private
6 duty nursing or home health nursing, and how the rate changes
7 impacted the utilization and cost of emergency room visits, reduced
8 the length of stay for initial hospital admissions, and reduced
9 utilization and costs of preventable hospital readmissions. The
10 report will quantify potential cost saving opportunities that may
11 exist through improved access to private duty and home health nursing
12 statewide.

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

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

34 ~~((mm))~~ (oo) Within the amounts appropriated in this section,
35 and in consultation with appropriate parties, including the rural
36 health clinic association of Washington and the centers for medicare
37 and medicaid services, by December 1, 2017, the authority shall
38 submit a report to the governor and appropriate committees of the
39 legislature evaluating legislative and administrative options to
40 reduce or eliminate any amounts owed by rural health clinics under

1 the payment reconciliation process established in the medicaid state
2 plan.

3 ~~((nn))~~ (pp) \$500,000 of the general fund—state appropriation
4 for fiscal year 2019 and \$500,000 of the general fund—federal
5 appropriation are provided solely for the authority to implement the
6 oral health connections pilot project in ~~((Yakima, Adams,))~~ Spokane,
7 Thurston, and Cowlitz counties. The authority shall work in
8 collaboration with Washington dental service foundation to jointly
9 develop and implement the program. The purpose of the three-year
10 pilot is to test the effect that enhanced dental benefits for adult
11 medicaid clients with diabetes and pregnant women have on access to
12 dental care, health outcomes, and medical care costs. The authority
13 must model the pilot on the access to baby and child dentistry
14 program. The pilot program must include enhanced reimbursement rates
15 for participating dental providers, including denturists licensed
16 under chapter 18.30 RCW, and an increase in the allowable number of
17 periodontal treatments to up to four per calendar year. Diabetic or
18 pregnant adult medicaid clients who are receiving dental care within
19 the pilot region(s), regardless of location of the service within the
20 pilot region(s), are eligible for the increased number of periodontal
21 treatments. The Washington dental service foundation shall partner
22 with the authority and provide wraparound services to link patients
23 to care. The authority and Washington dental service foundation shall
24 jointly develop the program. The authority and foundation shall
25 provide a joint progress report to the appropriate committees of the
26 legislature on December 1, 2017, and December 1, 2018.

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

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

37 (i) Employees are similarly employed if the individuals work for
38 the same employer, the performance of the job requires comparable
39 skill, effort, and responsibility, and the jobs are performed under

1 similar working conditions. Job titles alone are not determinative of
2 whether employees are similarly employed;

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

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

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

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

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

20 (iv) The authority must implement this provision with any new
21 contract and at the time of renewal of any existing contract.

22 ~~((+q+))~~ (ss) \$100,000 of the general fund—state appropriation
23 for fiscal year 2018 and \$100,000 of the general fund—state
24 appropriation for fiscal year 2019 are provided solely for a pilot
25 program for treatment of inmates at the Snohomish county jail who are
26 undergoing detoxification from heroin and other opioids and for
27 connecting those individuals with treatment providers in the
28 community upon their release.

29 ~~((+rr+))~~ (tt) \$6,487,000 of the general fund—state appropriation
30 for fiscal year 2018 and \$1,340,000 of the general fund—state
31 appropriation for fiscal year 2019 are provided solely for the
32 physical health care costs of medicaid clients receiving services in
33 facilities classified as institutions for mental diseases for longer
34 than 15 days in a calendar month. The authority must apply for a
35 waiver from the center for medicare and medicaid services to allow
36 for the full cost of stays in institutions for mental diseases to be
37 included in managed care rates beginning on July 1, 2018. The
38 authority must submit a report on the status of the waiver to the

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

3 ~~((ss))~~ (uu) The authority shall evaluate adding a tele-
4 pyschiatry consultation benefit for medicaid covered individuals. The
5 authority shall submit a report with the cost associated with adding
6 such a benefit to the governor and appropriate committees of the
7 legislature by October 1, 2017.

8 ~~((tt))~~ (vv) \$33,000 of the general fund—state appropriation for
9 fiscal year 2018, ~~(((\$7,000 of the state health care authority
10 administrative account—state appropriation,))~~ and \$42,000 of the
11 general fund—federal appropriation are provided solely for the
12 bleeding disorder collaborative for care.

13 ~~((uu))~~ (ww) \$304,000 of the general fund—state appropriation
14 for fiscal year 2018, \$304,000 of the general fund—state
15 appropriation for fiscal year 2019, and \$608,000 of the general fund—
16 federal appropriation are provided solely for the authority to
17 contract with the University of Washington tele-pain pain management
18 program and pain management call center to advance primary care
19 provider knowledge of complex pain management issues, including
20 opioid addiction.

21 ~~((vv))~~ (xx) \$165,000 of the general fund—state appropriation
22 for fiscal year 2018, \$329,000 of the general fund—state
23 appropriation for fiscal year 2019, and \$604,000 of the general fund—
24 federal appropriation are provided solely for implementation of
25 chapter 202, Laws of 2017 (Engrossed Second Substitute House Bill No.
26 1713) (children's mental health).

27 ~~((ww))~~ (yy) \$1,813,000 of the general fund—state appropriation
28 for fiscal year 2018, \$3,764,000 of the general fund—state
29 appropriation for fiscal year 2019, and \$12,930,000 of the general
30 fund—federal appropriation are provided solely for implementation of
31 chapter 110, Laws of 2017 (Second Substitute House Bill No. 1338)
32 (state health insurance pool).

33 ~~((xx)—\$347,000))~~ (zz) \$69,000 of the general fund—state
34 appropriation for fiscal year 2018, ~~(((\$839,000))~~ \$1,118,000 of the
35 general fund—state appropriation for fiscal year 2019, and \$943,000
36 of the general fund—federal appropriation are provided solely for
37 implementation of chapter 198, Laws of 2017 (Substitute House Bill
38 No. 1520) (hospital payment methodology).

1 (~~(yy)~~) (aaa) Sufficient amounts are appropriated in this
2 section for the implementation of chapter 273, Laws of 2017
3 (Engrossed Second Substitute House Bill No. 1358) (community asst.
4 referral programs).

5 (~~(zz)~~) (bbb) \$69,000 of the general fund—state appropriation
6 for fiscal year 2018, \$560,000 of the general fund—state
7 appropriation for fiscal year 2019, and \$308,000 of the general fund—
8 federal appropriation are provided solely for the authority to
9 implement, operate, and maintain a provider credentialing system and
10 are subject to the conditions, limitations, and review provided in
11 section 724 of this act. The authority, in collaboration with the
12 department of health, department of corrections, department of social
13 and health services, the public employees' benefits board, and the
14 department of labor and industries, shall work to ensure that a
15 single platform provider credentialing system is implemented. The
16 authority, departments, and board shall ensure that appropriate cost
17 offsets and cost avoidance are assumed for reduced staff time
18 required for provider credentialing activity and reductions in
19 improper billing activity when implementing provider credentialing
20 systems. The authority must enter into agreements with the department
21 of labor and industries and the public employees' benefits board to
22 pay their share of the costs of implementing and operating a new
23 provider credentialing system. The authority shall submit a report to
24 the office of financial management and appropriate committees of the
25 legislature outlining projected cost savings and cost avoidance no
26 later than December 1, 2018.

27 (ccc) \$100,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$400,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for the department and the
30 health care authority to enter into an interagency agreement to
31 contract with Washington autism alliance and advocacy (WAAA) to
32 educate and assist persons seeking the authority's services to
33 address a suspected or diagnosed autism spectrum disorder or
34 developmental disability related to autism spectrum disorder. The
35 department or the authority may refer such individuals to WAAA to
36 support them in navigating the health care system. The authority, in
37 collaboration with the department and the WAAA, shall submit a report
38 to the governor and the appropriate committees of the legislature by
39 December 15, 2018, and December 15, 2019, detailing how many persons

1 were referred to, how many persons received services from, and what
2 services were provided by the WAAA. The reports shall also include
3 what health care services the WAAA was able to connect the referred
4 persons to, the length of time these connections took, the type of
5 health coverage the person referred had at the time of referral and
6 whether alternate coverage was obtained.

7 (ddd) The authority and the office of the insurance commissioner
8 shall consult with the University of Washington, medicaid managed
9 care organizations, and health insurance carriers as defined in RCW
10 48.44.010 to develop an alternative funding model for the partnership
11 access line (PAL).

12 (i) The funding model must identify potential sources to support:

13 (A) Current PAL services for primary care providers;

14 (B) An expansion of PAL services to include consultation services
15 for primary care providers treating depression in pregnant women and
16 new mothers; and

17 (C) An expansion of PAL services to include referrals to
18 children's mental health services and other resources for parents and
19 guardians with concerns related to their child's mental health.

20 (ii) In developing the alternative funding model, the authority
21 and office of the insurance commissioner must:

22 (A) Consider a mechanism that determines the annual cost of
23 operating the PAL and collects a proportional share of the program
24 cost from each health insurance carrier;

25 (B) Differentiate between PAL activities eligible for medicaid
26 funding from other nonmedicaid eligible activities; and

27 (C) Ensure that the expanded services identified in this
28 subsection do not duplicate existing requirements for medicaid
29 managed care organizations as required by RCW 74.09.492.

30 (eee) \$20,000 of the general fund—state appropriation for fiscal
31 year 2019 and \$20,000 of the general fund—federal appropriation are
32 provided solely for the authority, in partnership with the department
33 of social and health services and the department of health, to assist
34 a collaborative public-private entity with implementation of
35 recommendations in the state plan to address alzheimer's disease and
36 other dementias.

37 (fff) \$5,825,000 of the general fund—state appropriation for
38 fiscal year 2019 and \$8,019,000 of the general fund—federal
39 appropriation are provided solely for an increase in pediatric

1 primary care provider rates to privately owned and operated pediatric
2 care providers. These amounts are the maximum that the authority may
3 spend for this purpose. The authority must pursue a state plan
4 amendment to increase pediatric primary care provider and pediatric
5 vaccine rates to this class of providers through state directed
6 payments through a permissible payment model. The codes considered
7 for these increases should follow those that were used under the
8 temporary increase provided in calendar years 2013 and 2014 as
9 outlined in section 1202 of the affordable care act. Both physician
10 and nonphysician practitioners are eligible for these increases and
11 are not required to attest. Increases are based upon eligible codes.
12 The authority must provide a report to the governor and appropriate
13 committees of the legislature by November 1, 2019, detailing how the
14 amounts provided in this subsection were used, what percentage
15 increase was provided for pediatric primary care provider evaluation
16 and management rates, what percentage increase was provided for
17 pedsiatric vaccine rates, how utilization has changed within each
18 category, and how these rate increases have impacted access to care.

19 (ggg) \$50,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$100,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for the authority to conduct a
22 study to identify strategies for enhancing access to primary care for
23 medical assistance clients. The authority may collaborate with other
24 stakeholders as appropriate. The authority shall provide a report
25 with recommendations to the appropriate committees of the legislature
26 by December 1, 2018. The study shall, to the extent possible:

27 (i) Review the effect of the temporary rate increase provided as
28 part of the patient protection and affordable care act on:

29 (A) The number of providers serving medical assistance clients;

30 (B) The number of medical assistance clients receiving services;

31 and

32 (C) Utilization of primary care services.

33 (ii) Identify client barriers to accessing primary care services;

34 (iii) Identify provider barriers to accepting medical assistance
35 clients;

36 (iv) Identify strategies for incentivizing providers to accept
37 more medical assistance clients;

38 (v) Prioritize areas for investment that are likely to have the
39 most impact on increasing access to care; and

1 (vi) Strategically review the current medicaid rates and identify
2 specific areas and amounts that may promote access to care.

3 (hhh) \$1,400,000 of the general fund—state appropriation for
4 fiscal year 2019 and \$3,900,000 of the general fund—federal
5 appropriation are provided solely to increase the rates paid to rural
6 hospitals that were certified by the centers for medicare and
7 medicaid services as sole community hospitals as of January 1, 2013,
8 with less than one hundred fifty acute care licensed beds in fiscal
9 year 2011. Payments for state and federal medical assistance programs
10 for services provided by such a hospital, regardless of the
11 beneficiary's managed care enrollment status, must be increased to
12 one hundred and fifty percent of the hospital's fee-for-service
13 rates.

14 (iii) \$40,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided solely to create a work group at the Robert
16 Bree collaborative to identify best practices for mental health
17 services regarding patient mental health treatment and patient
18 management. The work group shall identify best practices on patient
19 confidentiality, discharging patients, treating patients with
20 homicide ideation and suicide ideation, recordkeeping to decrease
21 variation in practice patterns in these areas, and other areas as
22 defined by the work group. The work group shall be composed of
23 clinical and administrative experts including psychologists,
24 psychiatrists, advanced practice psychiatric nurses, social workers,
25 marriage and family therapists, certified counselors, and mental
26 health counselors.

27 (jjj) \$536,000 of the general fund—state appropriation for fiscal
28 year 2019 is provided solely for implementation of Substitute House
29 Bill No. 1291 (Pacific Islander health care). If the bill is not
30 enacted by June 30, 2018, the amount provided in this subsection
31 shall lapse.

32 (kkk) \$50,000 of the general fund—state appropriation for fiscal
33 year 2019 and \$50,000 of the general fund—federal appropriation are
34 provided solely for implementation of Engrossed Second Substitute
35 House Bill No. 2779 (children's mental health services). If the bill
36 is not enacted by June 30, 2018, the amounts provided in this
37 subsection shall lapse.

38 (lll) \$31,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$44,000 of the general fund—federal appropriation are

1 provided solely for implementation of chapter 303, Laws of 2017
2 (public records administration).

3 (mmm) \$200,000 of the general fund—state appropriation for fiscal
4 year 2019 and \$150,000 of the general fund—federal appropriation are
5 provided solely for the authority to develop and issue a request for
6 proposal (RFP) to implement a population-based, cost-effective
7 approach to eradicate the hepatitis C disease in Washington state. In
8 coordination with the department of health and the department of
9 corrections, the authority shall contract with a consultant to
10 support the development of a RFP that requires: (a) A partnership
11 with a hepatitis C drug manufacturer to make available cost-effective
12 hepatitis C medications for medicaid and nonmedicaid populations
13 through potentially new and innovative pricing strategies; (b)
14 identification of the universe of medicaid and nonmedicaid
15 populations infected with hepatitis C and the development of
16 successful strategies to treat and eradicate the disease with
17 associated costs; (c) an evaluation of state agency efforts to treat
18 medicaid and nonmedicaid populations infected with hepatitis C; (d)
19 research of population-based hepatitis C models that take into
20 consideration alternative payment models and service delivery
21 strategies; (e) the development of care-model options for case
22 finding and delivery of hepatitis C treatment that leverage existing
23 efforts in the state, including project ECHO and hub and spoke opiate
24 use disorder treatment, and estimated costs of implementing such
25 models; and (f) the development of a timeline to implement care
26 models and a service delivery system that will eradicate the disease.
27 The authority shall report initial findings and implementation
28 timeframes to the office of financial management and the appropriate
29 committees of the legislature by November 1, 2018, and shall issue a
30 request for proposal no later than January 1, 2019.

31 (nnn) Sufficient amounts are provided in this subsection for the
32 authority to provide an adult hearing aid benefit.

33 (2) PUBLIC EMPLOYEES' BENEFITS BOARD AND EMPLOYEE BENEFITS
34 PROGRAMS

35 State Health Care Authority Administration Account—
36 State Appropriation. ((\$42,061,000))
37 \$63,221,000

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

1 (a) The authority and the public employees' benefits board shall
2 consult with the Washington state institute for public policy on the
3 cost-effectiveness of the wellness plan and any changes to the plan
4 that can be made to increase the health care efficiency of the
5 wellness plan. The authority shall report its findings to the
6 governor and the appropriate committees of the legislature by October
7 15, 2018.

8 (b) The authority and the public employees' benefits board shall
9 ensure that procurement for employee health benefits during the
10 2019-2021 fiscal biennium is consistent with the funding limitations
11 provided in part 9 of this act.

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

19 (d) All savings resulting from reduced claim costs or other
20 factors identified after December 31, 2016, must be reserved for
21 funding employee health benefits in the 2019-2021 fiscal biennium.
22 Any changes to benefits, including covered prescription drugs, must
23 be approved by the public employees' benefits board. Upon procuring
24 benefits for calendar years 2018 and 2019, the public employees'
25 benefits board shall: (1) Not consider any changes to benefits,
26 including prescription drugs, without considering comprehensive
27 analysis of the cost of those changes; and (2) not adopt a package of
28 benefits and premiums that results in a projected unrestricted
29 reserve funding level lower than was projected under the assumptions
30 made prior to procurement. For this purpose, assumptions means
31 projections about the levels of future claims, costs, enrollment and
32 other factors, prior to any changes in benefits. The certificates of
33 coverage agreed to by the health care authority for calendar years
34 2018 and 2019 must ensure that no increases in coverage of
35 prescription drugs, services, or other benefits may occur prior to
36 approval by the public employees' benefits board at the time of
37 procurement of benefits for the ensuing calendar year. The public
38 employees' benefits board may, within the funds provided, adopt a
39 virtual diabetes prevention program and adjust the waiting period for

1 dental crown replacement in the Uniform dental program to align with
2 the dental managed care plans.

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

16 (f) (~~(\$8,000,000)~~) \$28,730,000 of the health care authority
17 administrative account—state appropriation is provided solely for
18 implementation of the school employees' benefits board until the new
19 board commences provision of benefits on January 1, 2020. This
20 expenditure shall be reimbursed to the health care authority
21 administrative account from the newly created school employees'
22 insurance administrative account after January 1, 2020.

23 (g) The public employees' benefits board, in collaboration with
24 the authority, shall work to ensure that a single platform provider
25 credentialing system is implemented. The authority and the board
26 shall ensure that appropriate cost offsets and cost avoidance are
27 assumed for reduced staff time required for provider credentialing
28 activity and reductions in improper billing activity when
29 implementing provider credentialing systems. The board must enter
30 into an agreement with the authority to pay its share of the costs of
31 implementing and operating a new provider credentialing system.

32 (3) SCHOOL EMPLOYEES' BENEFITS BOARD
33 School Employees' Insurance Administrative
34 Account—State Appropriation. \$28,730,000

35 The appropriation in this subsection is subject to the following
36 conditions and limitations: \$28,730,000 of the school employees'
37 insurance administrative account—state appropriation is provided
38 solely for implementation of the school employees' benefits board
39 until the new board commences provision of benefits on January 1,

1 2020. It is the intent of the legislature that the state health care
2 authority administration account be reimbursed for the appropriation
3 to this account made in this section, with interest.

4 (4) HEALTH BENEFIT EXCHANGE

5	General Fund—State Appropriation (FY 2018).	\$5,184,000
6	General Fund—State Appropriation (FY 2019).	(\$5,184,000)
7		<u>\$5,701,000</u>
8	General Fund—Federal Appropriation.	(\$52,837,000)
9		<u>\$53,892,000</u>
10	Health Benefit Exchange Account—State Appropriation.	(\$56,736,000)
11		<u>\$59,385,000</u>
12	TOTAL APPROPRIATION.	(\$119,941,000)
13		<u>\$124,162,000</u>

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

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

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

25 (ii) For the 2017-2019 biennium, for the purpose of annually
26 calculating issuer assessments, exchange operational costs may
27 include up to three months of additional operating costs.

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

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

1 (c) \$321,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for implementation of Second Substitute
3 House Bill No. 2595 (automatic voter registration). If the bill is
4 not enacted by June 30, 2018, the amount provided in this subsection
5 shall lapse.

6 (d) \$196,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for implementation of Substitute House
8 Bill No. 1291 (Pacific Islander health care). If the bill is not
9 enacted by June 30, 2018, the amount provided in this subsection
10 shall lapse.

11 (5) COMMUNITY BEHAVIORAL HEALTH PROGRAM

12	<u>General Fund—State Appropriation (FY 2019).</u>	<u>\$576,489,000</u>
13	<u>General Fund—Federal Appropriation.</u>	<u>\$917,440,000</u>
14	<u>General Fund—Private/Local Appropriation.</u>	<u>\$18,261,000</u>
15	<u>Criminal Justice Treatment Account—State Appropriation. . .</u>	<u>\$6,490,000</u>
16	<u>Problem Gambling Account—State Appropriation.</u>	<u>\$728,000</u>
17	<u>Dedicated Marijuana Account—State</u>	
18	<u>Appropriation (FY 2019).</u>	<u>\$28,486,000</u>
19	<u>Pension Funding Stabilization Account—State</u>	
20	<u>Appropriation.</u>	<u>\$857,000</u>
21	<u>TOTAL APPROPRIATION.</u>	<u>\$1,548,751,000</u>

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

24 (a) For the purposes of this subsection, amounts provided for
25 behavioral health organizations shall also be available for the
26 health care authority to contract with entities that assume the
27 responsibilities of behavioral health organizations in regions in
28 which the health care authority is purchasing medical and behavioral
29 health services through fully integrated contracts pursuant to RCW
30 71.24.380.

31 (b) \$6,590,000 of the general fund—state appropriation for fiscal
32 year 2019 and \$3,810,000 of the general fund—federal appropriation
33 are provided solely for the authority and behavioral health
34 organizations to continue to contract for implementation of high-
35 intensity programs for assertive community treatment (PACT) teams. In
36 determining the proportion of medicaid and nonmedicaid funding
37 provided to behavioral health organizations with PACT teams, the
38 authority shall consider the differences between behavioral health

1 organizations in the percentages of services and other costs
2 associated with the teams that are not reimbursable under medicaid.
3 The authority may allow behavioral health organizations which have
4 nonmedicaid reimbursable costs that are higher than the nonmedicaid
5 allocation they receive under this section to supplement these funds
6 with local dollars or funds received under (f) of this subsection.
7 The authority and behavioral health organizations shall maintain
8 consistency with all essential elements of the PACT evidence-based
9 practice model in programs funded under this section.

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

17 (d) \$1,760,000 of the general fund—federal appropriation is
18 provided solely for the authority to maintain a pilot project to put
19 peer bridging staff into each behavioral health organization as part
20 of the state psychiatric liaison teams to promote continuity of
21 service as individuals return to their communities.

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

32 (f) \$81,930,000 of the general fund—state appropriation for
33 fiscal year 2019 is provided solely for persons and services not
34 covered by the medicaid program. To the extent possible, levels of
35 behavioral health organization spending must be maintained in the
36 following priority order: Crisis and commitment services; community
37 inpatient services; and residential care services, including personal
38 care and emergency housing assistance. These amounts must be
39 distributed to behavioral health organizations proportionate to the

1 fiscal year 2017 allocation of flexible nonmedicaid funds. The
2 authority must include the following language in medicaid contracts
3 with behavioral health organizations unless they are provided formal
4 notification from the center for medicaid and medicare services that
5 the language will result in the loss of federal medicaid
6 participation: "The contractor may voluntarily provide services that
7 are in addition to those covered under the state plan, although the
8 cost of these services cannot be included when determining payment
9 rates unless including these costs are specifically allowed under
10 federal law or an approved waiver."

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

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

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

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

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

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

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

34 (i) \$1,204,000 of the general fund—state appropriation for fiscal
35 year 2019 is provided solely to reimburse Pierce and Spokane counties
36 for the cost of conducting one hundred eighty-day commitment hearings
37 at the state psychiatric hospitals.

38 (j) Behavioral health organizations may use local funds to earn
39 additional federal medicaid match, provided the locally matched rate
40 does not exceed the upper-bound of their federally allowable rate

1 range, and provided that the enhanced funding is used only to provide
2 medicaid state plan or waiver services to medicaid clients.
3 Additionally, behavioral health organizations may use a portion of
4 the state funds allocated in accordance with (f) of this subsection
5 to earn additional medicaid match, but only to the extent that the
6 application of such funds to medicaid services does not diminish the
7 level of crisis and commitment, community inpatient, residential
8 care, and outpatient services presently available to persons not
9 eligible for medicaid.

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

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

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

1 until the authority determines that the behavioral health
2 organization has come into substantial compliance with an approved
3 excess reserve corrective action plan.

4 (n) \$3,079,000 of the general fund—state appropriation for fiscal
5 year 2019 and \$2,892,000 of the general fund—federal appropriation
6 are provided solely for the authority to increase rates for community
7 hospitals that provide a minimum of two hundred medicaid psychiatric
8 inpatient days. The authority must increase both medicaid and
9 nonmedicaid psychiatric per-diem reimbursement rates for these
10 providers within these amounts. The amounts in this subsection
11 include funding for additional hold harmless payments resulting from
12 the rate increase. The authority shall prioritize increases for
13 hospitals not currently paid based on provider specific costs using a
14 similar methodology used to set rates for existing inpatient
15 facilities and the latest available cost report information. Rate
16 increases for providers must be set so as not to exceed the amounts
17 provided within this subsection. The rate increase related to
18 nonmedicaid clients must be done to maintain the provider at the same
19 percentage as currently required under WAC 182-550-4800.

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

29 (p) \$7,103,000 of the general fund—state appropriation for fiscal
30 year 2019 and \$8,052,000 of the general fund—federal appropriation
31 are provided solely for the authority to contract with community
32 hospitals or freestanding evaluation and treatment centers to provide
33 up to forty-eight long-term inpatient care beds as defined in RCW
34 71.24.025. The authority must seek proposals and contract directly
35 for these services rather than contracting through behavioral health
36 organizations. The authority must not use any of the amounts provided
37 under this subsection for contracts with facilities that are subject
38 to federal funding restrictions that apply to institutions of mental

1 diseases, unless they have received a waiver that allows for full
2 federal participation in these facilities.

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

15 (r) \$6,744,000 of the general fund—state appropriation for fiscal
16 year 2019 and \$14,516,000 of the general fund—federal appropriation
17 are provided solely for the authority to increase medicaid capitation
18 payments for behavioral health organizations. The authority must work
19 with the actuaries responsible for certifying behavioral health
20 capitation rates to adjust average salary assumptions in order to
21 implement this increase. In developing further updates for medicaid
22 managed care rates for behavioral health services, the authority must
23 require the contracted actuaries to: (i) Review and consider
24 comparison of salaries paid by government agencies and hospitals that
25 compete with community providers for behavioral health workers in
26 developing salary assumptions; and (ii) review data to see whether a
27 specific travel assumption for high congestion areas is warranted.
28 The authority must include and make available all applicable
29 documents and analysis to legislative staff from the fiscal
30 committees throughout the process. The authority must require the
31 actuaries to develop and submit rate ranges for each behavioral
32 health organization prior to certification of specific rates.

33 (s) The number of beds allocated for use by behavioral health
34 organizations at eastern state hospital shall be one hundred ninety
35 two per day. The number of nonforensic beds allocated for use by
36 behavioral health organizations at western state hospital shall be
37 five hundred fifty-seven per day. In fiscal year 2019, the authority
38 must reduce the number of beds allocated for use by behavioral health
39 organizations at western state hospital by thirty beds to allow for

1 the repurposing of a civil ward at western state hospital to provide
2 forensic services. The contracted beds provided under (p) of this
3 subsection shall be allocated to the behavioral health organizations
4 in lieu of beds at the state hospitals and be incorporated in their
5 allocation of state hospital patient days of care for the purposes of
6 calculating reimbursements pursuant to RCW 71.24.310. It is the
7 intent of the legislature to continue the policy of expanding
8 community based alternatives for long term civil commitment services
9 that allow for state hospital beds to be prioritized for forensic
10 patients.

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

1 (u) \$1,296,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for clubhouse programs. The authority
3 shall ensure that \$400,000 is used for the biennium for support of
4 the Spokane clubhouse program and the remaining funds must be used
5 for support of new clubhouse programs. The authority must develop
6 options and cost estimates for implementation of clubhouse programs
7 statewide through a medicaid state plan amendment or a medicaid
8 waiver and submit a report to the office of financial management and
9 the appropriate committees of the legislature by December 1, 2018.

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

23 (w) \$3,278,000 of the dedicated marijuana account—state
24 appropriation for fiscal year 2019 is provided solely for a
25 memorandum of understanding with the department of social and health
26 services juvenile rehabilitation administration to provide substance
27 abuse treatment programs for juvenile offenders. Of the amounts
28 provided in this subsection (5)(w):

29 (i) \$1,130,000 of the dedicated marijuana account—state
30 appropriation for fiscal year 2019 is provided solely for alcohol and
31 substance abuse treatment programs for locally committed offenders.
32 The juvenile rehabilitation administration shall award these funds as
33 described in section 203(4) of this act.

34 (ii) \$282,000 of the dedicated marijuana account—state
35 appropriation for fiscal year 2019 is provided solely for the
36 expansion of evidence-based treatments and therapies as described in
37 section 203(2) of this act.

38 (x) During fiscal year 2019, any amounts provided in this section
39 that are used for case management services for pregnant and parenting

1 women must be contracted directly between the authority and providers
2 rather than through contracts with behavioral health organizations.

3 (y) Within the amounts appropriated in this section, the
4 authority may contract with the University of Washington and
5 community-based providers for the provision of the parent-child
6 assistance program or other specialized chemical dependency case
7 management providers for pregnant, post-partum, and parenting women.
8 For all contractors: (i) Service and other outcome data must be
9 provided to the department by request; and (ii) indirect charges for
10 administering the program must not exceed ten percent of the total
11 contract amount.

12 (z) \$1,750,000 of the general fund—federal appropriation (from
13 the substance abuse prevention and treatment federal block grant) is
14 provided solely for the continued funding of existing county drug and
15 alcohol use prevention programs.

16 (aa) \$200,000 of the dedicated marijuana account—state
17 appropriation for fiscal year 2019 is provided solely for a contract
18 with the Washington state institute for public policy to conduct
19 cost-benefit evaluations of the implementation of chapter 3, Laws of
20 2013 (Initiative Measure No. 502).

21 (bb) \$500,000 of the dedicated marijuana account—state
22 appropriation for fiscal year 2019 is provided solely to design and
23 administer the Washington state healthy youth survey and the
24 Washington state young adult behavioral health survey.

25 (cc) \$396,000 of the dedicated marijuana account—state
26 appropriation for fiscal year 2019 is provided solely for maintaining
27 increased services to pregnant and parenting women provided through
28 the parent child assistance program.

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

34 (ee) \$386,000 of the dedicated marijuana account—state
35 appropriation for fiscal year 2019 is provided solely to maintain
36 increased prevention and treatment services provided by tribes to
37 children and youth.

38 (ff) \$2,684,000 of the dedicated marijuana account—state
39 appropriation for fiscal year 2019 and \$950,000 of the general fund—

1 federal appropriation are provided solely to maintain increased
2 residential treatment services for children and youth.

3 (gg) \$250,000 of the dedicated marijuana account—state
4 appropriation for fiscal year 2019 is provided solely for training
5 and technical assistance for the implementation of evidence based,
6 research based, and promising programs which prevent or reduce
7 substance use disorders.

8 (hh) \$2,434,000 of the dedicated marijuana account—state
9 appropriation for fiscal year 2019 is provided solely for expenditure
10 into the home visiting services account.

11 (ii) \$2,500,000 of the dedicated marijuana account—state
12 appropriation for fiscal year 2019 is provided solely for grants to
13 community-based programs that provide prevention services or
14 activities to youth, including programs for school-based resource
15 officers. These funds must be utilized in accordance with RCW
16 69.50.540.

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

35 (kk) \$562,000 of the general fund—federal appropriation is
36 provided solely for the authority to develop a memorandum of
37 understanding with the department of health for implementation of
38 chapter 297, Laws of 2017 (ESHB 1427) (opioid treatment programs).

1 The authority must use these amounts to reimburse the department of
2 health for costs incurred through the implementation of the bill.

3 (ll) \$2,580,000 of the general fund—state appropriation for
4 fiscal year 2019 and \$2,320,000 of the general fund—federal
5 appropriation are provided solely for the development and operation
6 of two secure detoxification facilities. The authority must not use
7 any of these amounts for services in facilities that are subject to
8 federal funding restrictions that apply to institutions for mental
9 diseases, unless they have received a waiver that allows for full
10 federal participation in these facilities.

11 (mm) \$100,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for parenting education services focused
13 on pregnant and parenting women.

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

17 (oo) The criminal justice treatment account—state appropriation
18 is provided solely for treatment and treatment support services for
19 offenders with a substance use disorder pursuant to RCW 71.24.580.
20 The authority must offer counties the option to administer their
21 share of the distributions provided for under RCW 71.24.580(5)(a). If
22 a county is not interested in administering the funds, the authority
23 shall contract with a behavioral health organization or
24 administrative services organization to administer these funds
25 consistent with the plans approved by local panels pursuant to RCW
26 71.24.580(5)(b). The authority must provide a report to the office of
27 financial management and the appropriate committees of the
28 legislature which identifies the distribution of criminal justice
29 treatment account funds by September 30, 2018.

30 (pp) \$26,000,000 of the general fund—state appropriation for
31 fiscal year 2019 and \$44,200,000 of the general fund—federal
32 appropriation are provided solely for the enhancement of community-
33 based behavioral health services. This funding must be allocated to
34 behavioral health organizations proportionate to their regional
35 population. In order to receive these funds, each behavioral health
36 organization must submit a plan to address the following issues: (i)
37 Reduction in their use of long-term commitment beds through community
38 alternatives; (ii) compliance with RCW 71.05.365 requirements for
39 transition of state hospital patients into community settings within

1 fourteen days of the determination that they no longer require active
2 psychiatric treatment at an inpatient level of care; (iii)
3 improvement of staff recruitment and retention in community
4 behavioral health facilities; (iv) diversion of individuals with
5 behavioral health issues from the criminal justice system; and (v)
6 efforts to improve recovery oriented services, including, but not
7 limited to, expansion of clubhouse models. The plans are not limited
8 to the amounts in this subsection and may factor in all resources the
9 behavioral health organization receives from the state. Each plan
10 must identify metrics for tracking progress in each of the areas
11 identified. The authority must collect information on the metrics and
12 outcomes and submit a report summarizing the findings to the office
13 of financial management and the appropriate committees of the
14 legislature by June 30, 2019. Up to twenty percent of the general
15 fund—state appropriation amounts for each behavioral health
16 organization may be used to increase their nonmedicaid funding and
17 the remainder must be used to increase medicaid rates up to but not
18 exceeding the top of each behavioral health organizations medicaid
19 rate range. Each behavioral health organization must specify in their
20 plan how they would like the funds distributed between medicaid rates
21 and nonmedicaid funding in accordance with this subsection.

22 (qq) \$11,023,000 of the general fund—state appropriation for
23 fiscal year 2019 is provided solely to assist behavioral health
24 organizations with the costs of providing services to medicaid
25 clients receiving services in psychiatric facilities classified as
26 institutions of mental diseases. The authority must distribute these
27 amounts proportionate to the number of bed days for medicaid clients
28 in institutions for mental diseases that were excluded from
29 behavioral health organization fiscal year 2019 capitation rates
30 because they exceeded the amounts allowed under federal regulations.
31 The department must also use these amounts to directly pay for costs
32 that are ineligible for medicaid reimbursement in institutions of
33 mental disease facilities for American Indian and Alaska Natives who
34 opt to receive behavioral health services on a fee-for-service basis.
35 The amounts used for these individuals must be reduced from the
36 allocation of the behavioral health organization where the individual
37 resides. If a behavioral health organization receives more funding
38 through this subsection than is needed to pay for the cost of their
39 medicaid clients in institutions for mental diseases, they must use
40 the remainder of the amounts to provide other services not covered

1 under the medicaid program. The authority must explore options for
2 continuing to expand waivers which allow for federal matching funds
3 to be used in these facilities. The authority must submit a report on
4 the status of the waiver to the office of financial management and
5 the appropriate committees of the legislature by December 1, 2018.

6 (rr) \$15,000,000 of the general fund—state appropriation for
7 fiscal year 2019 is provided solely to ensure a smooth transition to
8 integrated managed care for behavioral health regions and to maintain
9 the existing level of regional behavioral health crisis and diversion
10 programs, and other required behavioral health administrative service
11 organization services. These amounts must be used to support the
12 regions transitioning to become mid-adopters for full integration of
13 physical and behavioral health care. These amounts must be
14 distributed proportionate to the population of each regional area
15 covered. The maximum amount allowed per region is \$3,175 per 1,000
16 residents. These amounts must be used to provide a reserve for
17 nonmedicaid services in the region and to stabilize the new crisis
18 services system. The authority must require all behavioral health
19 organizations transitioning to full integration to either spend down
20 or return all reserves in accordance with contract requirements and
21 federal and state law. Behavioral health organization reserves may
22 not be used to pay for services to be provided beyond the end of a
23 behavioral health organization's contract or for start-up costs in
24 full integration regions. The authority must ensure that any
25 increases in expenditures in behavioral health reserve spend-down
26 plans are required for the operation of services during the contract
27 period and do not result in overpayment to providers.

28 (ss) \$806,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely for the authority to develop a peer
30 support program for individuals with substance use disorders. These
31 amounts must be used for development of training and certification of
32 peers specialists. The authority must submit a state plan amendment
33 which provides for these services to be included in behavioral health
34 capitation rates beginning in fiscal year 2020 and allows for federal
35 matching funds to be leveraged for these services.

36 (tt) \$200,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the authority, in collaboration with
38 the department of social and health services, to further develop
39 efforts to shift funding and risk for most civil long-term inpatient

1 commitments into fully integrated care contracts beginning in January
2 2020. The funding and risk for patients at the state hospitals who
3 have been committed pursuant to dismissal of felony charges after
4 being determined incompetent to stand trial shall not be incorporated
5 into integrated care contracts.

6 (i) By December 1, 2018, the authority, in coordination with the
7 department of social and health services, must submit a report to the
8 office of financial management and the appropriate committees of the
9 legislature on the following: (A) Actuarial estimates on the impact
10 to per member per month payments and estimated annual state and
11 federal costs for medicaid managed care organizations with fully
12 integrated contracts; (B) actuarial estimates on the estimated annual
13 costs for administrative services organizations; (C) estimates of the
14 per-diem cost at the state hospitals that will be charged to entities
15 with responsibility for paying for long-term civil inpatient
16 commitments once these are incorporated into fully integrated care
17 contracts; and (D) estimates of the amount of funding that can be
18 reduced from direct appropriations for the state hospitals to reflect
19 the shift in financial responsibility.

20 (ii) The authority must also explore and report on options for
21 fully leveraging the state's share of federal medicaid
22 disproportionate share funding allowed for institutions of mental
23 diseases, including but not limited to: (A) Prioritizing the use of
24 this funding for forensic patients and those civilly committed
25 pursuant to dismissal of a felony charge; (B) obtaining an
26 institution for mental diseases—disproportionate share hospital
27 waiver to allow for regular medicaid federal financial participation
28 to be used at the state hospitals; and (C) shifting some of the
29 state's current disproportionate share funding used at the state
30 hospitals to community-based institutions for mental diseases to
31 reduce the state cost of patients for whom regular federal medicaid
32 match is not allowed.

33 (uu) \$2,732,000 of the general fund—state appropriation for
34 fiscal year 2019 and \$9,026,000 of the general fund—federal
35 appropriation are provided solely for the authority to implement
36 strategies to improve access to prevention and treatment of opioid
37 use disorders. The authority may use these funds for the following
38 activities: (i) Expansion of hub and spoke treatment networks; (ii)
39 expansion of pregnant and parenting case management programs; (iii)

1 grants to tribes to prevent opioid use and expand treatment for
2 opioid use disorders; (iv) development and implementation of a tool
3 to track medication assisted treatment provider capacity; (v) support
4 of drug take-back programs which allow individuals to return unused
5 opioids and other drugs for safe disposal; (vi) purchase and
6 distribution of opioid reversal medication; and (vii) maintaining
7 support for youth prevention services. The authority must coordinate
8 these activities with the department of health to avoid duplication
9 of effort and must work to identify additional federal resources that
10 can be used to maintain and expand these efforts. The authority must
11 submit a report to the office of financial management and the
12 appropriate committees of the legislature on the status of these
13 efforts by December 1, 2018. The report must include identification
14 of any increase in behavioral health federal block grants or other
15 federal funding awards received by the authority and the plan for the
16 use of these funds.

17 (vv) \$150,000 of the general fund—state appropriation for fiscal
18 year 2019 is provided solely for the authority to contract with
19 actuaries to develop estimates for the cost of implementing new
20 behavioral health service types in the medicaid state plan. The
21 authority must coordinate with behavioral health organizations to
22 identify: (i) Eligible behavioral health service types that are
23 currently provided to medicaid enrollees without federal funding and
24 are dependent on state, local, or other funds; and (ii) eligible
25 behavioral health service types that are not currently available to
26 medicaid enrollees due to the lack of federal funding. The authority
27 must contract with the actuaries responsible for certifying state
28 behavioral health capitation rates to develop estimates for the cost
29 of implementing each of these services. The estimates must identify
30 the cost of implementing each service statewide, the estimated state
31 and federal medicaid cost, and any estimated offset in state non-
32 medicaid spending. The authority must submit a report to the office
33 of financial management and the appropriate committees of the
34 legislature identifying the services and costs estimates by November
35 1, 2018.

36 (ww)(i) \$446,000 of the general fund—state appropriation for
37 fiscal year 2019 and \$89,000 of the general fund—federal
38 appropriation are provided solely for the University of Washington's
39 evidence-based practice institute which supports the identification,

1 evaluation, and implementation of evidence-based or promising
 2 practices. The institute must work with the department to develop a
 3 plan to seek private, federal, or other grant funding in order to
 4 reduce the need for state general funds. The department must collect
 5 information from the institute on the use of these funds and submit a
 6 report to the office of financial management and the appropriate
 7 fiscal committees of the legislature by December 1st of each year of
 8 the biennium.

9 (ii) No more than \$13,098,000 of the general fund—federal
 10 appropriation may be expended for supported housing and employment
 11 services described in initiative 3a and 3b of the medicaid
 12 transformation demonstration waiver under healthier Washington. Under
 13 this initiative, the department and the health care authority shall
 14 ensure that allowable and necessary services are provided to eligible
 15 clients as identified by the department or its providers or third
 16 party administrator. The department and the authority in consultation
 17 with the medicaid forecast work group, shall ensure that reasonable
 18 reimbursements are established for services deemed necessary within
 19 an identified limit per individual. The department shall not increase
 20 general fund—state expenditures under this initiative. The secretary
 21 in collaboration with the director of the authority shall report to
 22 the joint select committee on health care oversight no less than
 23 quarterly on financial and health outcomes. The secretary in
 24 cooperation with the director shall also report to the fiscal
 25 committees of the legislature all of the expenditures of this
 26 subsection and shall provide such fiscal data in the time, manner,
 27 and form requested by the legislative fiscal committees.

28 **Sec. 214.** 2017 3rd sp.s. c 1 s 214 (uncodified) is amended to
 29 read as follows:

30 **FOR THE HUMAN RIGHTS COMMISSION**

31	General Fund—State Appropriation (FY 2018)	. . . . .	((\$2,317,000))
32			\$2,298,000
33	General Fund—State Appropriation (FY 2019)	. . . . .	((\$2,359,000))
34			\$2,330,000
35	General Fund—Federal Appropriation	. . . . .	\$2,427,000
36	<u>Pension Funding Stabilization Account—State</u>		
37	<u>Appropriation.</u>	. . . . .	\$190,000
38	TOTAL APPROPRIATION.	. . . . .	((\$7,103,000))

The appropriations in this section are subject to the following conditions and limitations: \$10,000 of the general fund—state appropriation for fiscal year 2018 and \$40,000 of the general fund—state appropriation for fiscal year 2019 is provided to convene a work group consisting of representatives from the agribusiness industry, the department of labor and industries, farmworkers, public sector attorneys, immigrant rights leaders, and social workers. The work group shall study the issue of sexual harassment in the farmworker industry. The work group shall hold meetings in each of the following locations across the state: Yakima, Wenatchee, Pasco, Bellingham, and Vancouver. The work group is staffed by the human rights commission. The work group must make recommendations to the appropriate committees of the legislature by November 21, 2018. Recommendations may include, but are not limited to, statutory changes, funding for education and outreach, training programs, or increasing penalties for violating chapter 49.60 RCW.

Sec. 215. 2017 3rd sp.s. c 1 s 215 (uncodified) is amended to read as follows:

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account—State	
Appropriation	\$10,000
Accident Account—State Appropriation	((\$22,437,000))
	<u>\$22,434,000</u>
Medical Aid Account—State Appropriation	((\$22,438,000))
	<u>\$22,435,000</u>
TOTAL APPROPRIATION.	((\$44,885,000))
	<u>\$44,879,000</u>

Sec. 216. 2017 3rd sp.s. c 1 s 216 (uncodified) is amended to read as follows:

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund—State Appropriation (FY 2018)	((\$21,703,000))
	<u>\$21,662,000</u>
General Fund—State Appropriation (FY 2019)	((\$20,705,000))
	<u>\$23,170,000</u>
General Fund—Private/Local Appropriation	((\$5,905,000))
	<u>\$6,785,000</u>

1	Death Investigations Account—State Appropriation	\$148,000
2	Municipal Criminal Justice Assistance Account—State	
3	Appropriation	\$460,000
4	<u>Pension Funding Stabilization Account—State</u>	
5	<u>Appropriation.</u>	<u>\$460,000</u>
6	Washington Auto Theft Prevention Authority Account—State	
7	Appropriation	\$8,167,000
8	24/7 Sobriety Account—State Appropriation	((\$30,000))
9		\$20,000
10	TOTAL APPROPRIATION.	((\$57,118,000))
11		<u>\$60,872,000</u>

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

14 (1) \$5,000,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$5,000,000 of the general fund—state appropriation for
16 fiscal year 2019, are provided to the Washington association of
17 sheriffs and police chiefs solely to verify the address and residency
18 of registered sex offenders and kidnapping offenders under RCW
19 9A.44.130. The association may use no more than \$50,000 per fiscal
20 year of the amounts provided on program management activities.

21 (2) \$1,284,000 of the general fund—state appropriation for fiscal
22 year 2018 and ((~~\$1,283,000~~)) \$1,712,000 of the general fund—state
23 appropriation for fiscal year 2019 are provided solely for seventy-
24 five percent of the costs of providing six additional statewide basic
25 law enforcement trainings in ((~~each~~)) fiscal year 2018, and eight
26 additional statewide basic law enforcement trainings in fiscal year
27 2019. The criminal justice training commission must schedule its
28 funded classes to minimize wait times throughout each fiscal year and
29 meet statutory wait time requirements.

30 (3) ((~~\$745,000~~)) \$791,520 of the general fund—local appropriation
31 is provided solely to purchase ammunition for the basic law
32 enforcement academy. Jurisdictions shall reimburse to the criminal
33 justice training commission the costs of ammunition, based on the
34 average cost of ammunition per cadet, for cadets that they enroll in
35 the basic law enforcement academy.

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

38 (5) \$100,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$100,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for a school safety program. The
2 commission, in collaboration with the school safety center advisory
3 committee, shall provide the school safety training for all school
4 administrators and school safety personnel hired after the effective
5 date of this section.

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

22 (7) \$146,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$146,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for the costs of providing
25 statewide advanced driving training with the use of a driving
26 simulator.

27 (8) \$679,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$587,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for implementation of chapter
30 261, Laws of 2017 (SHB 1501) (attempts to obtain firearms).

31 (9) \$57,000 of the general fund—state appropriation for fiscal
32 year 2018 is provided solely for implementation of chapter 295, Laws
33 of 2017 (SHB 1258) (first responders/disability).

34 (10) \$198,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$414,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for implementation of chapter
37 290, Laws of 2017 (ESHB 1109) (victims of sexual assault).

38 (11) \$117,000 of the general fund—state appropriation for fiscal
39 year 2018, \$117,000 of the general fund—state appropriation for

1 fiscal year 2019, and \$1,000,000 of the Washington auto theft
2 prevention account—state appropriation are provided solely for the
3 first responder building mapping information system.

4 (12) \$595,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$595,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely to continue crisis intervention
7 training required in chapter 87, Laws of 2015.

8 (13) \$250,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$250,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for the criminal justice
11 training commission to deliver research-based programs to instruct,
12 guide, and support local law enforcement agencies in fostering the
13 "guardian philosophy" of policing, which emphasizes de-escalating
14 conflicts and reducing the use of force.

15 (14) \$429,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$429,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for expenditure into the
18 nonappropriated Washington internet crimes against children account
19 for the implementation of chapter 84, Laws of 2015.

20 (15) \$842,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$353,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for the purpose of creating and
23 funding on an ongoing basis the: (a) Updating and providing of basic
24 and in-service training for peace officers and corrections officers
25 that emphasizes de-escalation and use of less lethal force; and (b)
26 creation and provision of an evidence-based leadership development
27 program, in partnership with Microsoft, that trains, equips, and
28 supports law enforcement leaders using research-based strategies to
29 reduce crime and improve public trust.

30 (16) \$100,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$100,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely to the Washington association of
33 sheriffs and police chiefs to fund pilot projects in Benton county to
34 support local law enforcement education for law enforcement, medical
35 professionals, first responders, courts, educators, and others to
36 raise awareness and identifying warning signs of human trafficking.
37 Any educational opportunities created through the pilot projects in
38 Benton county may provide access for adjacent counties if resources
39 and availability permits.

1 (17) \$500,000 of the general fund—state appropriation for fiscal
2 year 2018 is provided solely to the Washington association of
3 sheriffs and police chiefs to administer statewide training in the
4 use of the Washington state gang database, established in compliance
5 with RCW 43.43.762, and provide grant funding to ensure agencies
6 enter appropriate and reliable data into the database. The training
7 shall develop professionals with regional responsibilities for
8 database administration throughout the state.

9 (18) \$800,000 of the general fund—state appropriation for fiscal
10 year 2019 is provided solely for providing grants for a criminal
11 justice diversion center pilot program in Snohomish county. Snohomish
12 county must collect and report data from the pilot program to the
13 Washington association of sheriffs and police chiefs. The Washington
14 association of sheriffs and police chiefs must submit a report to the
15 appropriate committees of the legislature by October 1, 2019. The
16 report must contain, at a minimum: (i) An analysis of arrests and
17 bookings for individuals served in the pilot program; (ii) an
18 analysis of connections to behavioral health services made for
19 individuals who were served by the pilot program; (iii) an analysis
20 of impacts on housing stability for individuals served by the pilot
21 program; (iv) the number of individuals served by the pilot program
22 who were connected to a detoxification program, completed a
23 detoxification program, completed a chemical dependency assessment,
24 completed chemical dependency treatment, or were connected to
25 housing.

26 (19) \$1,000,000 of the general fund—state appropriation for
27 fiscal year 2019 is provided solely for providing grants for the
28 mental health field response team grant program established in House
29 Bill No. 2892 (mental health field response). If the bill is not
30 enacted by June 30, 2018, the amount provided in this subsection
31 shall lapse.

32 **Sec. 217.** 2017 3rd sp.s. c 1 s 217 (uncodified) is amended to
33 read as follows:

34 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

35	General Fund—State Appropriation (FY 2018)	. . . . .	((\$7,671,000))
36			\$6,511,000
37	General Fund—State Appropriation (FY 2019)	. . . . .	((\$8,897,000))
38			\$7,838,000

1	General Fund—Federal Appropriation	\$11,876,000
2	Asbestos Account—State Appropriation	\$527,000
3	Electrical License Account—State Appropriation	((52,100,000))
4		<u>\$53,851,000</u>
5	Farm Labor Contractor Account—State Appropriation	\$28,000
6	Worker and Community Right-to-Know Account—State	
7	Appropriation	\$993,000
8	Public Works Administration Account—State	
9	Appropriation	((6,303,000))
10		<u>\$8,529,000</u>
11	Manufactured Home Installation Training	
12	Account—State Appropriation	\$378,000
13	Accident Account—State Appropriation	((320,314,000))
14		<u>\$321,179,000</u>
15	Accident Account—Federal Appropriation	\$16,765,000
16	Medical Aid Account—State Appropriation	((333,053,000))
17		<u>\$333,862,000</u>
18	Medical Aid Account—Federal Appropriation	\$3,739,000
19	Plumbing Certificate Account—State Appropriation	\$1,882,000
20	Pressure Systems Safety Account—State Appropriation	\$4,442,000
21	Construction Registration Inspection Account—State	
22	Appropriation.	((19,128,000))
23		<u>\$20,706,000</u>
24	<u>Pension Funding Stabilization Account—State</u>	
25	<u>Appropriation.</u>	<u>\$1,435,000</u>
26	TOTAL APPROPRIATION.	((788,096,000))
27		<u>\$794,541,000</u>

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

30 ~~((3))~~ (1) \$123,000 of the accident account—state appropriation
31 and \$22,000 of the medical aid—state appropriation are provided
32 solely for implementation of chapter 150, Laws of 2017 (House Bill
33 No. 1906) (farm internship).

34 ~~((4))~~ (2) The department, in collaboration with the health care
35 authority, shall work to ensure that a single platform provider
36 credentialing system is implemented. The authority and department
37 shall ensure that appropriate cost offsets and cost avoidance are
38 assumed for reduced staff time required for provider credentialing

1 activity and reductions in improper billing activity when
2 implementing provider credentialing systems. The department must
3 enter into an agreement with the health care authority to pay its
4 share of the costs of implementing and operating a new provider
5 credentialing system.

6 ~~((5) \$6,124,000))~~ (3) \$5,802,000 of the accident account—state
7 appropriation and ~~((5,989,000))~~ \$5,676,000 of the medical aid
8 account—state appropriation are provided solely for business
9 transformation projects and are subject to the conditions,
10 limitations, and review provided in section 724 of this act.

11 ~~((6))~~ (4) \$19,128,000 of the construction registration
12 inspection account—state appropriation is provided solely to
13 implement House Bill No. 1716 (construction inspection account). If
14 the bill is not enacted by July 31, 2017, the amounts provided in
15 this subsection shall lapse.

16 ~~((7))~~ (5) \$2,000,000 of the accident account—state
17 appropriation and \$2,000,000 of the medical account—state
18 appropriation are provided solely for a contract with a workforce
19 institute to provide supplemental instruction for information
20 technology apprentices. Funds spent for this purpose must be matched
21 by an equal amount of funding from the information technology
22 industry members, except small and mid-sized employers. Up to
23 \$2,000,000 may be spent to provide supplemental instruction for
24 apprentices at small and mid-sized businesses. "Small and mid-sized
25 employers" means those that have fewer than one hundred employees or
26 have less than five percent net profitability.

27 (6) \$107,000 of the accident account—state appropriation and
28 \$18,000 of the medical aid account—state are provided solely for work
29 associated with the work-integrated learning strategic plan in
30 section 501(59) of this act.

31 (7) \$250,000 of the medical aid account—state appropriation and
32 \$250,000 of the accident fund—state appropriation are provided solely
33 for the department of labor and industries safety and health
34 assessment and research for prevention program to conduct research to
35 address the high injury rates of the janitorial workforce. The
36 research must quantify the physical demands of common janitorial work
37 tasks and assess the safety and health needs of janitorial workers.
38 The research must also identify potential risk factors associated
39 with increased risk of injury in the janitorial workforce and measure

1 workload based on the strain janitorial work tasks place on janitors'
 2 bodies. The department must conduct interviews with janitors and
 3 their employers to collect information on risk factors, identify the
 4 tools, technologies, and methodologies used to complete work, and
 5 understand the safety culture and climate of the industry. The
 6 department must issue an initial report to the legislature, by June
 7 30, 2020, assessing the physical capacity of workers in the context
 8 of the industry's economic environment and ascertain usable support
 9 tools for employers and workers to decrease risk of injury. After the
 10 initial report, the department must produce annual progress reports,
 11 beginning in 2021 through the year 2022 or until the tools are fully
 12 developed and deployed. The annual progress reports must be submitted
 13 to the legislature by December 1st of each year such reports are due.

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

16 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

17 (1) HEADQUARTERS

18	General Fund—State Appropriation (FY 2018)	. . . . .	((\$2,004,000))
19			<u>\$1,911,000</u>
20	General Fund—State Appropriation (FY 2019)	. . . . .	((\$1,997,000))
21			<u>\$1,905,000</u>
22	Charitable, Educational, Penal, and Reformatory		
23	Institutions Account—State Appropriation	. . . . .	\$10,000
24	<u>Pension Funding Stabilization Account—State</u>		
25	<u>Appropriation.</u>	. . . . .	<u>\$185,000</u>
26	TOTAL APPROPRIATION.	. . . . .	\$4,011,000

27 The appropriations in this subsection are subject to the
 28 following conditions and limitations: \$85,000 of the general fund—
 29 state appropriation for fiscal year 2018 and \$84,000 of the general
 30 fund—state appropriation for fiscal year 2019 are provided solely for
 31 the implementation of chapter 173, Laws of 2017 (ESSB 1802)
 32 (veterans' shared leave pool).

33 (2) FIELD SERVICES

34	General Fund—State Appropriation (FY 2018)	. . . . .	((\$6,220,000))
35			<u>\$6,074,000</u>
36	General Fund—State Appropriation (FY 2019)	. . . . .	((\$6,278,000))
37			<u>\$6,329,000</u>

1	General Fund—Federal Appropriation	\$3,751,000
2	General Fund—Private/Local Appropriation	\$4,799,000
3	Veteran Estate Management Account—Private/Local	
4	Appropriation	\$666,000
5	<u>Pension Funding Stabilization Account—State</u>	
6	<u>Appropriation.</u>	<u>\$443,000</u>
7	TOTAL APPROPRIATION.	((\$21,714,000))
8		<u>\$22,062,000</u>

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

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

17 (b) \$200,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$200,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for the implementation of
20 chapter 192, Laws of 2017 (SB 5849) (veterans' services).

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

25 (3) INSTITUTIONAL SERVICES

26	General Fund—State Appropriation (FY 2018)	((\$2,105,000))
27		<u>\$10,925,000</u>
28	General Fund—State Appropriation (FY 2019)	((\$2,307,000))
29		<u>\$6,500,000</u>
30	General Fund—Federal Appropriation	((\$93,767,000))
31		<u>\$84,905,000</u>
32	General Fund—Private/Local Appropriation	((\$35,687,000))
33		<u>\$28,269,000</u>
34	<u>Pension Funding Stabilization Account—State</u>	
35	<u>Appropriation.</u>	<u>\$1,462,000</u>
36	TOTAL APPROPRIATION.	((\$133,866,000))
37		<u>\$132,061,000</u>

1 **Sec. 219.** 2017 3rd sp.s. c 1 s 219 (uncodified) is amended to
2 read as follows:

3 **FOR THE DEPARTMENT OF HEALTH**

4	General Fund—State Appropriation (FY 2018)	((\$71,759,000))
5		<u>\$70,937,000</u>
6	General Fund—State Appropriation (FY 2019)	((\$72,148,000))
7		<u>\$80,780,000</u>
8	General Fund—Federal Appropriation	((\$550,186,000))
9		<u>\$550,304,000</u>
10	General Fund—Private/Local Appropriation	((\$185,189,000))
11		<u>\$186,886,000</u>
12	Hospital Data Collection Account—State Appropriation	\$348,000
13	Health Professions Account—State Appropriation	((\$129,629,000))
14		<u>\$132,368,000</u>
15	Aquatic Lands Enhancement Account—State Appropriation . . .	\$623,000
16	Emergency Medical Services and Trauma Care Systems	
17	Trust Account—State Appropriation	\$9,247,000
18	Safe Drinking Water Account—State Appropriation	((\$5,678,000))
19		<u>\$5,676,000</u>
20	Drinking Water Assistance Account—Federal	
21	Appropriation	((\$16,016,000))
22		<u>\$16,006,000</u>
23	Waterworks Operator Certification—State Appropriation	((\$1,671,000))
24		<u>\$1,839,000</u>
25	Drinking Water Assistance Administrative Account—State	
26	Appropriation	\$372,000
27	Site Closure Account—State Appropriation	\$169,000
28	Biotoxin Account—State Appropriation	((\$1,972,000))
29		<u>\$1,971,000</u>
30	State Toxics Control Account—State Appropriation	((\$4,259,000))
31		<u>\$4,258,000</u>
32	Medicaid Fraud Penalty Account—State Appropriation	\$938,000
33	Medical Test Site Licensure Account—State	
34	Appropriation	\$2,594,000
35	Youth Tobacco and Vapor Products Prevention Account—State	
36	Appropriation	((\$4,963,000))
37		<u>\$3,363,000</u>
38	Dedicated Marijuana Account—State Appropriation	
39	(FY 2018).	\$9,761,000

1	Dedicated Marijuana Account—State Appropriation	
2	(FY 2019)	\$9,766,000
3	Public Health Supplemental Account—Private/Local	
4	Appropriation	\$3,248,000
5	<u>Pension Funding Stabilization Account—State</u>	
6	<u>Appropriation.</u>	<u>\$3,821,000</u>
7	Accident Account—State Appropriation	\$344,000
8	Medical Aid Account—State Appropriation	\$53,000
9	Suicide-Safer Homes Project Account—State Appropriation. . .	\$50,000
10	TOTAL APPROPRIATION.	((\$1,080,983,000))
11		<u>\$1,095,722,000</u>

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

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

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

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

15 (4)(a) \$5,000,000 of the general fund—state appropriation for
16 fiscal year 2018 and \$5,000,000 of the general fund—state
17 appropriation for fiscal year 2019 are provided solely for the
18 department to support the local health jurisdictions to improve their
19 ability to address (i) communicable disease monitoring and prevention
20 and (ii) chronic disease and injury prevention. The department and
21 representatives of local health jurisdictions must work together to
22 arrive at a mutually acceptable allocation and distribution of funds
23 and to determine the best accountability measures to ensure efficient
24 and effective use of funds, emphasizing the use of shared services.

25 (b) By December 31, 2017, the department shall provide a
26 preliminary report, and by November 30, 2018, a final report, to the
27 appropriate committees of the legislature regarding:

28 (i) The allocation of funding, as provided in this subsection, to
29 the local health jurisdictions;

30 (ii) Steps taken by the local health jurisdictions that received
31 funding to improve communicable disease monitoring and prevention and
32 chronic disease and injury prevention;

33 (iii) An assessment of the effectiveness of the steps taken by
34 local health jurisdictions and the criteria measured; and

35 (iv) Any recommendations for future models for service delivery
36 to address communicable and chronic diseases.

37 (5)(a) \$1,000,000 of the general fund—state appropriation for
38 fiscal year 2018 and \$1,000,000 of the general fund—state
39 appropriation for fiscal year 2019 are provided solely for the

1 department, as part of foundational public health services, to
2 implement strategies to control the spread of communicable diseases
3 and other health threats. These strategies may include updating or
4 replacing equipment in the state public health laboratory; addressing
5 health inequities among state residents; reporting on the root cause
6 analyses of adverse events at medical facilities; performing critical
7 activities to prevent adverse health consequences of hepatitis C; or
8 assessing information technology system consolidation and
9 modernization opportunities for statewide public health data systems.

10 (b) By November 30, 2018, the department shall develop a
11 statewide governmental public health improvement plan and provide it
12 to the appropriate committees of the legislature.

13 (6) \$26,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$10,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the implementation of
16 chapter 295, Laws of 2017 (SHB 1258) (first responders/disability).

17 (7) Within amounts appropriated in this section, funding is
18 provided to implement chapter 312, Laws of 2017 (SSB 5046) (language
19 of public notices).

20 (8) \$39,000 of the general fund—local appropriation is provided
21 solely for the implementation of chapter 249, Laws of 2017 (ESHB
22 1714) (nurse staffing plans).

23 (9) \$27,000 of the health professions account—state appropriation
24 and \$50,000 of the Suicide-Safer Homes Project account are provided
25 solely for the implementation of chapter 262, Laws of 2017 (E2SHB
26 1612) (reducing access to lethal means).

27 (10) \$269,000 of the health professions account—state
28 appropriation is provided solely for the implementation of chapter
29 297, Laws of 2017 (ESHB 1427) (opioid treatment program).

30 (11) \$350,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$350,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided to the department solely to cover costs
33 of providing increased capacity under existing contracts with suicide
34 prevention lines to respond to calls to the national suicide
35 prevention lifeline.

36 (12) \$40,000 of the general fund—state appropriation for fiscal
37 year 2018 and (~~(\$40,000)~~) \$90,000 of the general fund—state
38 appropriation for fiscal year 2019 are provided solely for the
39 midwifery licensure and regulatory program to supplement revenue from

1 fees. The department shall charge no more than five hundred twenty-
2 five dollars annually for new or renewed licenses for the midwifery
3 program.

4 (13)(a) Within amounts appropriated in this section, the
5 department, in consultation with advocacy groups and experts that
6 focus on hunger and poverty issues, shall produce a report regarding
7 ongoing nutrition assistance programs funded by the United States
8 department of agriculture and administered in Washington state. The
9 report must be a compilation, by program, of data already collected
10 by the department of social and health services, the department of
11 health, the office of the superintendent of public instruction, and
12 the Washington state department of agriculture, and it must include,
13 where available, but is not limited to:

14 (i) The number of people in Washington who are eligible for the
15 program;

16 (ii) The number of people in Washington who participated in the
17 program;

18 (iii) The average annual participation rate in the program;

19 (iv) Participation rates by geographic distribution; and

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

21 (b) The department shall report to the appropriate committees of
22 the legislature and to the governor. An initial report is due by
23 April 30, 2018, and a second report is due by April 30, 2019.

24 (14) Information technology projects or investments and proposed
25 projects or investments impacting time capture, payroll and payment
26 processes and systems eligibility, case management, and authorization
27 systems within the department of health are subject to technical
28 oversight by the office of the state chief information officer.

29 (15) \$2,604,000 of the health professions account—state
30 appropriation is provided solely for the medical quality assurance
31 commission to address increased workload.

32 (16) \$896,000 of the health professions account—state
33 appropriation is provided solely for the pharmacy commission to
34 improve research and communication to pharmacies regarding the
35 development and implementation of new and changing rules.

36 (17) \$9,000,000 of the general fund—federal appropriation is
37 provided solely for the department to implement projects and
38 activities during the 2017-2019 fiscal biennium that are designed to

1 improve the health and well-being of individuals living with human
2 immunodeficiency virus, including:

3 (a) A health disparity project to increase access to dental,
4 mental health, and housing services for populations that have
5 historically experienced limited access to needed services, including
6 Latino individuals in central Washington;

7 (b) A project to establish a peer-to-peer network for individuals
8 living with human immunodeficiency virus. Trained navigators will
9 work to link individuals living with human immunodeficiency virus to
10 medical care, housing support, training, and other needed services;

11 (c) A project to expand the MAX clinic within Harborview hospital
12 to serve an increased number of high-need clients and establishing a
13 MAX clinic to serve high-need clients in Pierce county. This project
14 shall also provide statewide training for staff of the department, of
15 local health jurisdictions, and of providers of services for persons
16 with human immunodeficiency virus;

17 (d) The development of a single eligibility portal to allow
18 statewide usage and streamlined case management for individuals who
19 are living with human immunodeficiency virus and receiving public
20 health services; and

21 (e) An assessment and evaluation of the effectiveness of each of
22 the projects outlined in subsections (a) through (d) of this
23 subsection.

24 (18) \$6,096,000 of the general fund—local appropriation is
25 provided solely for the department to target its efforts in the HIV
26 early intervention program toward populations with health
27 disparities.

28 (19) \$1,118,000 of the general fund—local appropriation is
29 provided solely for equipment, testing supplies, and materials
30 necessary to add x-linked adrenoleukodystrophy to the mandatory
31 newborn screening panel. The department is authorized to increase the
32 newborn screening fee by \$8.10.

33 (20) \$1,500,000 of the general fund—state appropriation for
34 fiscal year 2018 and \$1,500,000 of the general fund—state
35 appropriation for fiscal year 2019 are provided solely for:

36 (a) Increased screening, case management, and an electronic data
37 reporting system to identify children who are at the highest risk of
38 having elevated levels of lead in their blood, prioritizing children
39 who live in areas where the risk is highest; and

1 (b) Sampling and testing of drinking water and water fixtures in
2 public schools. The department, in collaboration with the educational
3 service districts, must prioritize testing within elementary schools
4 where drinking water and water fixtures have not been tested for
5 contaminants at any time, and elementary schools where drinking water
6 and water fixtures have not been tested within the past three years.
7 Consistent with the United States environmental protection agency's
8 manual, "3Ts for Reducing Lead in Drinking Water in Schools—Revised
9 Technical Guidance," the department must develop guidance and testing
10 protocols for the lead action level for drinking water and for
11 testing drinking water and drinking water fixtures in public and
12 private schools. The guidance must include:

13 (i) Actions to take if test results exceed the federal action
14 level or public drinking water standard;

15 (ii) Recommendations to schools on prioritizing fixture
16 replacement, and options for further reducing lead, including
17 replacement of fixtures or use of certified filters when results are
18 below the federal action level for schools, but exceed the maximum
19 level recommended by the American Academy of Pediatrics; and

20 (iii) Recommendations for communicating test results and risk to
21 parents and the community, including that there is no safe level of
22 lead in water and that action may be warranted even if levels are
23 below the action level.

24 (21) \$277,000 of the general fund—local appropriation is provided
25 solely to implement chapter 207, Laws of 2017 (E2SHB 1819)
26 (children's mental health).

27 (22) \$130,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$130,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely to increase the funding for the
30 breast, cervical, and colon health program administered by the
31 department.

32 (23) Within the amounts appropriated in this section, and in
33 accordance with RCW 43.20B.110 and 70.41.100, the department shall
34 set fees to include the full costs of the performance of inspections
35 pursuant to RCW 70.41.080.

36 (24) Within the amounts appropriated in this section, and in
37 accordance with RCW 43.70.110 and 71.12.470, the department shall set
38 fees to include the full costs of the performance of inspections
39 pursuant to RCW 71.12.485.

1 (25) (~~(\$250,000)~~) \$100,000 of the general fund—state
2 appropriation for fiscal year 2018 and (~~(\$250,000)~~) \$400,000 of the
3 general fund—state appropriation for fiscal year 2019 are provided
4 solely for the department to contract with a nongovernmental entity
5 that has experience in adapting global health strategies to
6 underserved communities for a pilot program to develop strategies to
7 address health disparities in rural communities. The program should
8 engage marginalized communities in order to identify barriers and
9 social determinants that most impact health, including access to
10 housing and food and economic stability. The department must report
11 to the legislature by (~~December 1, 2018~~) June 30, 2019, regarding
12 identified barriers and any recommendations for interventions.

13 (26) \$27,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$16,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the implementation of
16 chapter 273, Laws of 2017 (E2SHB 1358) (community assistance referral
17 programs).

18 (27) \$224,000 of the health professions account—state
19 appropriation is provided solely for the implementation of chapter
20 320, Laws of 2017 (SSB 5322) (dentists and third parties).

21 (28) \$93,000 of the health professions account—state
22 appropriation is provided solely for the implementation of chapter
23 101, Laws of 2017 (ESHB 1431) (osteopathic medicine and surgery).

24 (29) \$82,000 of the general fund—local appropriation is provided
25 solely for the implementation of chapter 263, Laws of 2017 (SSB 5152)
26 (pediatric transitional care).

27 (30) \$25,000 of the general fund—state appropriation for fiscal
28 year 2018 is provided solely for the department to prepare and submit
29 a report about the certificate of need program to the governor and
30 the appropriate fiscal and policy committees of the legislature by
31 October 1, 2017. By health care setting, for each of the preceding
32 ten fiscal years, the report must show the total number of
33 applications, the total number of accepted applications, the total
34 number of beds requested, the total number of beds approved, and a
35 summary of the most common reasons for declining an application. The
36 report must include suggestions for modifying the program to increase
37 the number of successful applications. At least one suggestion must
38 address the goal of adding psychiatric beds within hospitals.

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

8 (32) \$28,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$28,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for staffing capacity at the
11 department to support a performance audit of the fee-setting process
12 for each health profession licensed by the department.

13 (33) The appropriations in this section include sufficient
14 funding for the implementation of chapter 294, Laws of 2017 (SSB
15 5835) (health outcomes/pregnancy).

16 (34)(a) \$500,000 of the general fund—state appropriation for
17 fiscal year 2019 is provided solely to fund a pilot project in Pierce
18 county to reduce the rate of hospitalizations for acute illnesses or
19 chronic conditions, or both, that can be managed successfully in
20 outpatient settings. Under the pilot program, the department shall
21 coordinate with the local health jurisdiction to:

22 (i) Increase immunizations for bacterial pneumonia and influenza;
23 and

24 (ii) Implement screening, brief intervention, and referrals to
25 treatment for alcohol, tobacco, drugs, and depression.

26 (b) Providers in the pilot program shall enter data into the
27 statewide immunization registry for easy tracking and access.

28 (c) No later than December 1, 2018, the department, in
29 collaboration with the local health jurisdiction, shall provide to
30 the legislature and the appropriate committees a preliminary report
31 regarding the outcomes of the pilot program, addressing the following
32 measures:

33 (i) Improvement in the rate of influenza and pneumonia
34 immunizations, as determined by the number of unnecessary
35 hospitalizations, the number of patient deaths, and calculated
36 prevented costs; and

37 (ii) Effectiveness of screenings, brief interventions, and
38 referrals to treatment, as determined by emergency room use,
39 hospitalizations, and calculated prevented costs.

1 (d) A final report addressing the same measures as the
2 preliminary report shall be provided to the legislature and the
3 appropriate committees no later than June 30, 2019.

4 (35) \$556,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely to replace the comprehensive hospital
6 abstract reporting system and is subject to the conditions,
7 limitations, and review provided in section 724, chapter 1, Laws of
8 2017 3rd sp. sess.

9 (36) \$40,000 of the general fund—state appropriation for fiscal
10 year 2019 is provided solely for the department, in partnership with
11 the department of social and health services and the health care
12 authority, to assist a collaborative public-private entity with
13 implementation of recommendations in the state plan to address
14 alzheimer's disease and other dementias.

15 (37) \$140,000 of the general fund—state appropriation for fiscal
16 year 2019 is provided solely for the department to convene and chair
17 a pesticide incident reporting and tracking review panel.

18 (a) The panel must meet at least monthly and consist of the
19 following members:

20 (i) The directors, secretaries, or designees of the departments
21 of health, labor and industries, agriculture, natural resources, fish
22 and wildlife, and ecology;

23 (ii) The chair of the department of environmental health at the
24 University of Washington, or his or her designee;

25 (iii) The pesticide coordinator and specialist of the cooperative
26 extension at Washington State University or his or her designee;

27 (iv) A representative of the Washington poison control center
28 network;

29 (v) A practicing toxicologist; and

30 (vi) A member of the general public.

31 (b) The responsibilities of the panel shall include, but not be
32 limited to:

33 (i) Establishing guidelines for the receipt of information
34 relating to actual or alleged health and environmental incidents
35 involving pesticides;

36 (ii) Reviewing and making recommendations for procedures for the
37 investigation of pesticide incidents;

1 (iii) Monitoring the time periods required for response to
2 reports of pesticide incidents by the departments of agriculture,
3 department of health, and labor and industries;

4 (iv) Identifying inadequacies in state or federal law that result
5 in insufficient protection of public health and safety.

6 (c) The panel must review and approve an annual report prepared
7 by the department. The report shall be provided to the governor,
8 agency heads, the legislature, and shall be made available to the
9 public. The report shall include:

10 (i) A summary of the year's activities;

11 (ii) A synopsis of the cases reviewed;

12 (iii) A separate descriptive listing of each case in which
13 adverse health or environmental effects from pesticides were found;

14 (iv) A tabulation of the data from each case, including the
15 number of exposures;

16 (v) An assessment of the effects of pesticide exposure in the
17 workplace;

18 (vi) Identification of trends, issues, and needs; and

19 (vii) Any recommendations for improved pesticide use practices.

20 (d) The first annual report is due June 30, 2019.

21 (38) In accordance with RCW 70.96A.090, 71.24.035, 43.20B.110,
22 and 43.135.055, the department is authorized to adopt fees for the
23 review and approval of mental health and substance use disorder
24 treatment programs in fiscal years 2018 and 2019 as necessary to
25 support the costs of the regulatory program. The department's fee
26 schedule must have differential rates for providers with proof of
27 accreditation from organizations that the department has determined
28 to have substantially equivalent standards to those of the
29 department, including but not limited to the joint commission on
30 accreditation of health care organizations, the commission on
31 accreditation of rehabilitation facilities, and the council on
32 accreditation. To reflect the reduced costs associated with
33 regulation of accredited programs, the department's fees for
34 organizations with such proof of accreditation must reflect the lower
35 cost of licensing for these programs than for other organizations
36 which are not accredited.

37 (39) \$30,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for the nursing care quality assurance
39 commission to convene and facilitate a work group to assess the need
40 for nurses in long-term care settings and to make recommendations

1 regarding worker recruitment, training, and retention challenges for
2 long-term care providers in the sectors of skilled nursing
3 facilities, assisted-living facilities, and adult family homes.

4 (a) The work group must:

5 (i) Determine the current and projected worker vacancy rates in
6 the long-term care sectors compared to the workload projections for
7 these sectors;

8 (ii) Develop recommendations for a standardized training
9 curriculum for certified nursing assistants that ensures that workers
10 are qualified to provide care in each sector, including integration
11 into the curriculum of specific training for the care of clients with
12 dementia, developmental disabilities, and mental health issues;

13 (iii) Review academic and other prerequisites for training for
14 licensed practical nurses to identify any barriers to career
15 advancement for certified nursing assistants;

16 (iv) Identify barriers to career advancement for long-term care
17 workers; and

18 (v) Evaluate the oversight roles of the department of health and
19 the department of social and health services for nurse training
20 programs and make recommendations for streamlining those roles.

21 (b) The members of the work group must include the following:

22 (i) The chair of the house health care and wellness committee or
23 his or her designee;

24 (ii) The chair of the senate health and long-term care committee
25 or his or her designee;

26 (iii) The assistant secretary of the aging and disability support
27 administration of the department of social and health services, or
28 his or her designee;

29 (iv) A member of the Washington apprenticeship and training
30 council, chosen by the director of the department of labor and
31 industries;

32 (v) A representative from the health services quality assurance
33 division of the department of health, chosen by the secretary;

34 (vi) The executive director of the Washington state board for
35 community and technical colleges or his or her designee;

36 (vii) A representative of the largest statewide association
37 representing nurses;

38 (viii) A representative of the largest statewide union
39 representing home care workers;

1 (ix) A representative of the largest statewide association
2 representing assisted living and skilled nursing facilities;

3 (x) A representative of the adult family home council of
4 Washington; and

5 (xi) The Washington state long-term care ombuds or his or her
6 designee.

7 (d) The work group must meet at least three times, and the first
8 meeting must occur no later than July 15, 2018. The commission must
9 report no later than December 15, 2018, to the governor and the
10 legislature regarding the work group's assessments and
11 recommendations.

12 (40) \$150,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for the department to implement training
14 and education recommendations described in the 2016 report of the
15 community health worker task force. The department shall report to
16 the legislature on the progress of implementation no later than June
17 30, 2019. These moneys shall only be used to cover the cost of the
18 department's staff time, meeting expenses, and community outreach.

19 (41) \$3,000,000 of the general fund—state appropriation for
20 fiscal year 2019 is provided solely to Seattle and King county public
21 health for core public health services that prevent and stop the
22 spread of communicable disease, including but not limited to zoonotic
23 and emerging diseases and chronic hepatitis B and hepatitis C.

24 (42) \$100,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$360,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for the department to coordinate
27 with local health jurisdictions to establish and maintain
28 comprehensive Group B programs to ensure safe and reliable drinking
29 water. These amounts shall be used to support the costs of the
30 development and adoption of rules, policies and procedures, and for
31 technical assistance, training, and other program-related costs.

32 (43) \$485,000 of the general fund—state appropriation for fiscal
33 year 2019 is provided solely for the implementation of Second
34 Substitute House Bill No. 2671 (behavioral health/agricultural
35 industry). If the bill is not enacted by June 30, 2018, the amounts
36 provided in this subsection shall lapse.

37 **Sec. 220.** 2017 3rd sp.s. c 1 s 220 (uncodified) is amended to
38 read as follows:

1 **FOR THE DEPARTMENT OF CORRECTIONS**

2 The appropriations to the department of corrections in this act
3 shall be expended for the programs and in the amounts specified in
4 this act. However, after May 1, 2018, after approval by the director
5 of financial management and unless specifically prohibited by this
6 act, the department may transfer general fund—state appropriations
7 for fiscal year 2018 between programs. The department may not
8 transfer funds, and the director of financial management may not
9 approve the transfer, unless the transfer is consistent with the
10 objective of conserving, to the maximum extent possible, the
11 expenditure of state funds. The director of financial management
12 shall notify the appropriate fiscal committees of the senate and
13 house of representatives in writing seven days prior to approving any
14 deviations from appropriation levels. The written notification must
15 include a narrative explanation and justification of the changes,
16 along with expenditures and allotments by budget unit and
17 appropriation, both before and after any allotment modifications or
18 transfers.

19 (1) ADMINISTRATION AND SUPPORT SERVICES

20	General Fund—State Appropriation (FY 2018)	((\$64,492,000))
21		<u>\$61,281,000</u>
22	General Fund—State Appropriation (FY 2019)	((\$64,219,000))
23		<u>\$61,541,000</u>
24	<u>General Fund—Federal Appropriation.</u>	<u>\$400,000</u>
25	<u>Pension Funding Stabilization Account—State</u>	
26	<u>Appropriation.</u>	<u>\$7,602,000</u>
27	TOTAL APPROPRIATION.	((\$128,711,000))
28		<u>\$130,824,000</u>

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

31 (a) \$35,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$35,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for the support of a statewide
34 council on mentally ill offenders that includes as its members
35 representatives of community-based mental health treatment programs,
36 current or former judicial officers, and directors and commanders of
37 city and county jails and state prison facilities. The council will
38 investigate and promote cost-effective approaches to meeting the
39 long-term needs of adults and juveniles with mental disorders who

1 have a history of offending or who are at-risk of offending,
2 including their mental health, physiological, housing, employment,
3 and job training needs.

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

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

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

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

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

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

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

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

33 (c) \$865,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$587,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely for information technology
36 business solutions and are subject to the conditions, limitations,
37 and review provided in section 724 of this act.

38 (d) The department, in collaboration with the health care
39 authority, shall work to ensure that a single platform provider
40 credentialing system is implemented. The authority and department

1 shall ensure that appropriate cost offsets and cost avoidance are
2 assumed for reduced staff time required for provider credentialing
3 activity and reductions in improper billing activity when
4 implementing provider credentialing systems.

5 (2) CORRECTIONAL OPERATIONS

6	General Fund—State Appropriation (FY 2018)	. . . . .	((\$541,061,000))
7			<u>\$499,134,000</u>
8	General Fund—State Appropriation (FY 2019)	. . . . .	((\$562,878,000))
9			<u>\$518,049,000</u>
10	General Fund—Federal Appropriation	. . . . .	\$818,000
11	Washington Auto Theft Prevention Authority Account—State		
12	Appropriation	. . . . .	((\$4,608,000))
13			<u>\$4,597,000</u>
14	<u>Pension Funding Stabilization Account—State</u>		
15	<u>Appropriation.</u>	. . . . .	<u>\$62,831,000</u>
16	TOTAL APPROPRIATION.	. . . . .	((\$1,109,365,000))
17			<u>\$1,085,429,000</u>

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

20 (a) The department may contract for beds statewide to the extent
21 that it is at no net cost to the department. The department shall
22 calculate and report the average cost per offender per day, inclusive
23 of all services, on an annual basis for a facility that is
24 representative of average medium or lower offender costs. The
25 duration of the contracts may be for up to four years. The department
26 shall not pay a rate greater than \$85 per day per offender for all
27 costs associated with the offender while in the local correctional
28 facility to include programming and health care costs, or the
29 equivalent of \$85 per day per bed including programming and health
30 care costs for full units. The capacity provided at local
31 correctional facilities must be for offenders whom the department of
32 corrections defines as medium or lower security offenders.
33 Programming provided for inmates held in local jurisdictions is
34 included in the rate, and details regarding the type and amount of
35 programming, and any conditions regarding transferring offenders must
36 be negotiated with the department as part of any contract. Local
37 jurisdictions must provide health care to offenders that meet
38 standards set by the department. The local jail must provide all
39 medical care including unexpected emergent care. The department must

1 utilize a screening process to ensure that offenders with existing
2 extraordinary medical/mental health needs are not transferred to
3 local jail facilities. If extraordinary medical conditions develop
4 for an inmate while at a jail facility, the jail may transfer the
5 offender back to the department, subject to terms of the negotiated
6 agreement. Health care costs incurred prior to transfer are the
7 responsibility of the jail.

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

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

18 ~~((\$250,000 of the general fund—state appropriation for fiscal~~
19 ~~year 2018 and))~~ \$250,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for the department to enter into
21 an agreement to purchase electricity for the Monroe correctional
22 complex from a ~~((sawmill waste cogeneration system that is connected~~
23 ~~to a lumber mill that employs at least 150 people. The agreement~~
24 ~~cannot increase the total cost for the purchase of electricity for~~
25 ~~the entire complex))~~ source located in Snohomish county that is
26 fueled using commercial or industrial waste from an on-site lumber
27 mill that employs at least 150 people.

28 (e) Within the amounts appropriated in this section, funding is
29 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
30 offense/felony).

31 (f) The appropriations in this section include sufficient funding
32 for the implementation of chapter 226, Laws of 2017 (HB 1153)
33 (vulnerable persons/crimes).

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

37 ~~(i))~~ Within the amounts appropriated in this section, the
38 department of corrections must review the use of full body scanners
39 at state correctional facilities for women to reduce the frequency of

1 strip and body cavity searches and report with recommendations to the
2 governor and the appropriate legislative committees by November 15,
3 2017. The report must address the cost of technology, installation,
4 and maintenance; the benefits to personnel and inmates; information
5 regarding accumulated exposure to radiation; and general guidelines
6 for implementation at a pilot facility.

7 (h) \$400,000 of the general fund—state appropriation for fiscal
8 year 2019 is provided solely for the department to contract with an
9 independent third party to: (i) Provide a comprehensive review of the
10 prison staffing model; and (ii) develop an updated prison staffing
11 model for use by the department.

12 (3) COMMUNITY SUPERVISION

13	General Fund—State Appropriation (FY 2018)	. . . . .	((\$181,670,000))
14			<u>\$179,455,000</u>
15	General Fund—State Appropriation (FY 2019)	. . . . .	((\$187,807,000))
16			<u>\$192,507,000</u>
17	General Fund—Federal Appropriation	. . . . .	((\$2,368,000))
18			<u>\$2,902,000</u>
19	<u>Pension Funding Stabilization Account—State</u>		
20	<u>Appropriation.</u>	. . . . .	<u>\$12,791,000</u>
21	TOTAL APPROPRIATION.	. . . . .	((\$371,845,000))
22			<u>\$387,655,000</u>

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

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

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

1 (c) By January 1, 2018, the department of corrections shall
 2 provide a report to the office of financial management and the
 3 appropriate fiscal and policy committees of the legislature to
 4 include a review of the department's policies and procedures related
 5 to swift and certain sanctioning, and identification of legal
 6 decisions that impact caseload and operations. The report shall
 7 include recommendations for improving public and staff safety while
 8 decreasing recidivism through improved alignment of the department's
 9 policies and procedures with current best practices concerning swift
 10 and certain sanctioning. The report shall include a review of
 11 department practices, legal decisions that impact caseload and
 12 operations, an analysis of current best practices in other
 13 jurisdictions that have adopted swift and certain sanctioning, and
 14 recommendations to improve the department's practices and procedures.

15 (d) Within the amounts appropriated in this section, funding is
 16 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
 17 offense/felony).

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

21 (4) CORRECTIONAL INDUSTRIES

22	General Fund—State Appropriation (FY 2018)	. . . . .	((\$5,985,000)
23			<u>\$6,278,000</u>
24	General Fund—State Appropriation (FY 2019)	. . . . .	((\$6,085,000)
25			<u>\$5,979,000</u>
26	<u>Pension Funding Stabilization Account—State</u>		
27	Appropriation.		\$510,000
28	TOTAL APPROPRIATION.		((\$12,070,000)
29			<u>\$12,767,000</u>

30 (5) INTERAGENCY PAYMENTS

31	General Fund—State Appropriation (FY 2018)	. . . . .	((\$44,091,000)
32			<u>\$44,810,000</u>
33	General Fund—State Appropriation (FY 2019)	. . . . .	((\$41,176,000)
34			<u>\$42,200,000</u>
35	TOTAL APPROPRIATION.		((\$85,267,000)
36			<u>\$87,010,000</u>

37 (6) OFFENDER CHANGE

38	General Fund—State Appropriation (FY 2018)	((\$55,170,000)
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1		\$54,590,000
2	General Fund—State Appropriation (FY 2019)	((\$56,426,000))
3		<u>\$57,465,000</u>
4	<u>Pension Funding Stabilization Account—State</u>	
5	<u>Appropriation.</u>	<u>\$4,434,000</u>
6	TOTAL APPROPRIATION.	((\$111,596,000))
7		<u>\$116,489,000</u>

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

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

18 (b) The department shall submit a report by December 1, 2018, to
19 the appropriate committees of the legislature regarding the
20 department's compliance with this subsection. The report must: (i)
21 include a summary of the comprehensive plan; (ii) analyze state funds
22 allocated to cognitive behavioral change programs and reentry
23 specific programs, including percentages and amounts of funds used in
24 evidence-based practices and the number of people being served; (iii)
25 identify discontinued and newly implemented cognitive behavioral
26 change programs and reentry specific programs, including information
27 used by the department in evaluating the effectiveness of
28 discontinued and implemented programs; and (iv) provide
29 recommendations to improve program outcomes, including recommended
30 strategies, deadlines, and funding.

31 (c) Within the amounts appropriated in this section, funding is
32 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
33 offense/felony).

34	(7) HEALTH CARE SERVICES	
35	General Fund—State Appropriation (FY 2018).	((\$128,680,000))
36		<u>\$144,271,000</u>
37	General Fund—State Appropriation (FY 2019).	((\$127,782,000))
38		<u>\$147,270,000</u>
39	TOTAL APPROPRIATION.	((\$256,462,000))

1 \$291,541,000

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

7 **Sec. 221.** 2017 3rd sp.s. c 1 s 221 (uncodified) is amended to
8 read as follows:

9 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

10	General Fund—State Appropriation (FY 2018)	((\$2,478,000))
11		<u>\$2,451,000</u>
12	General Fund—State Appropriation (FY 2019)	((\$2,525,000))
13		<u>\$2,567,000</u>
14	General Fund—Federal Appropriation	((\$25,276,00))
15		<u>\$25,282,000</u>
16	General Fund—Private/Local Appropriation	\$60,000
17	<u>Pension Funding Stabilization Account—State</u>	
18	<u>Appropriation.</u>	<u>\$173,000</u>
19	TOTAL APPROPRIATION.	((\$30,339,000))
20		<u>\$30,533,000</u>

21 **Sec. 222.** 2017 3rd sp.s. c 1 s 222 (uncodified) is amended to
22 read as follows:

23 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

24	<u>General Fund—State Appropriation (FY 2019).</u>	<u>\$35,000</u>
25	General Fund—Federal Appropriation	((\$216,993,000))
26		<u>\$209,391,000</u>
27	General Fund—Private/Local Appropriation	((\$35,426,000))
28		<u>\$35,416,000</u>
29	Unemployment Compensation Administration Account—Federal	
30	Appropriation	((\$270,643,000))
31		<u>\$267,890,000</u>
32	Administrative Contingency Account—State	
33	Appropriation	((\$20,386,000))
34		<u>\$20,136,000</u>
35	Employment Service Administrative Account—State	
36	Appropriation	((\$53,555,000))
37		<u>\$53,543,000</u>

1	Family and Medical Leave Insurance Account—State	
2	Appropriation.	\$82,000,000
3	TOTAL APPROPRIATION.	((\$679,003,000))
4		<u>\$668,411,000</u>

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

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

10 (2) \$4,152,000 of the unemployment compensation administration
11 account—federal appropriation is provided solely to the unemployment
12 tax and benefits systems and is subject to the conditions,
13 limitations, and review provided in section 724 of this act.

14 (3) \$82,000,000 of the family and medical leave insurance account
15 —state appropriation is provided solely for implementation of
16 Substitute House Bill No. 1116 (family and medical leave insurance),
17 Senate Bill No. 5975 (paid family and medical leave), or Senate Bill
18 No. 5032 (family and medical leave insurance). If none of the bills
19 are enacted by July 31, 2017, the amount provided in this subsection
20 shall lapse.

21 (4) \$125,000 of the general fund—federal appropriation is
22 provided solely for work associated with the work-integrated learning
23 strategic plan in section 501(59) of this act.

24 (5) \$35,000 of the general fund—state appropriation for fiscal
25 year 2019 is provided solely for the implementation of Engrossed
26 Second Substitute House Bill No. 1600 (career and college readiness).
27 If the bill is not enacted by June 30, 2018, the amount provided in
28 this subsection shall lapse.

29 (6) \$530,000 of the unemployment compensation administration—
30 federal appropriation is provided solely for the implementation of
31 Substitute House Bill No. 2703 (education employee compensation
32 claims). If the bill is not enacted by June 30, 2018, the amount
33 provided in this subsection shall lapse.

34 **Sec. 223.** 2017 3rd sp.s. c 1 s 223 (uncodified) is amended to
35 read as follows:

36 **FOR THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES**

37 (1) CHILDREN AND FAMILIES SERVICES PROGRAM
38 General Fund—State Appropriation (FY 2019). ((~~\$366,467,000~~))

1		<u>\$364,464,000</u>
2	General Fund—Federal Appropriation.	((\$236,770,000))
3		<u>\$246,342,000</u>
4	General Fund—Private/Local Appropriation.	\$1,477,000
5	Domestic Violence Prevention Account—State	
6	Appropriation.	\$1,002,000
7	<u>Pension Funding Stabilization Account—State</u>	
8	<u>Appropriation.</u>	<u>\$13,976,000</u>
9	TOTAL APPROPRIATION.	((\$605,716,000))
10		<u>\$627,261,000</u>

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

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

26 (b) \$253,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely for the costs of hub home foster
28 families that provide a foster care delivery model that includes a
29 licensed hub home. Use of the hub home model is intended to support
30 foster parent retention, improve child outcomes, and encourage the
31 least restrictive community placements for children in out-of-home
32 care.

33 (c) \$579,000 of the general fund—state appropriation for fiscal
34 year 2019 and \$55,000 of the general fund—federal appropriation are
35 provided solely for a receiving care center east of the Cascade
36 mountains.

37 (d) \$990,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for services provided through children's
39 advocacy centers.

1 (e) \$1,351,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for implementation of performance-based
3 contracts for family support and related services pursuant to RCW
4 74.13B.020.

5 (f) \$7,173,000 of the general fund—state appropriation for fiscal
6 year 2019 and \$6,022,000 of the general fund—federal appropriation
7 are provided solely for family assessment response. Amounts
8 appropriated in this subsection are sufficient to implement
9 Substitute House Bill No. 2449 or Substitute Senate Bill No. 6309
10 (family assessment response).

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

15 (h) \$2,933,000 of the general fund—state appropriation for fiscal
16 year 2019 and \$876,000 of the general fund—federal appropriation are
17 provided solely for the department to reduce the caseload ratios of
18 social workers serving children in foster care to promote decreased
19 lengths of stay and to make progress towards achievement of the Braam
20 settlement caseload outcome.

21 (i)(A) \$540,000 of the general fund—state appropriation for
22 fiscal year 2019, \$328,000 of the general fund private/local
23 appropriation, and \$126,000 of the general fund—federal appropriation
24 are provided solely for a contract with an educational advocacy
25 provider with expertise in foster care educational outreach. The
26 amounts in this subsection are provided solely for contracted
27 education coordinators to assist foster children in succeeding in
28 K-12 and higher education systems and to assure a focus on education
29 during the department's transition to performance-based contracts.
30 Funding must be prioritized to regions with high numbers of foster
31 care youth, or regions where backlogs of youth that have formerly
32 requested educational outreach services exist. The department is
33 encouraged to use private matching funds to maintain educational
34 advocacy services.

35 (B) The department shall contract with the office of the
36 superintendent of public instruction, which in turn shall contract
37 with a nongovernmental entity or entities to provide educational
38 advocacy services pursuant to RCW 28A.300.590.

1 (j) The department shall continue to implement policies to reduce
2 the percentage of parents requiring supervised visitation, including
3 clarification of the threshold for transition from supervised to
4 unsupervised visitation prior to reunification.

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

19 (l) \$321,000 of the general fund—state appropriation for fiscal
20 year 2019 and \$133,000 of the general fund—federal appropriation are
21 provided solely to implement chapter 265, Laws of 2017 (SHB 1867)
22 (ext. foster care transitions).

23 (m) \$400,000 of the general fund—state appropriation for fiscal
24 year 2019 is provided solely for a contract with a national nonprofit
25 organization to, in partnership with private matching funds,
26 subcontract with a community organization for specialized, enhanced
27 adoption placement services for legally free children in state
28 custody. The contract must supplement, but not supplant, the work of
29 the department to secure permanent adoptive homes for children.

30 (n) \$375,000 of the general fund—state appropriation for fiscal
31 year 2019 and \$56,000 of the general fund—federal appropriation are
32 provided solely for the department to develop, implement, and expand
33 strategies to improve the capacity, reliability, and effectiveness of
34 contracted visitation services for children in temporary out-of-home
35 care and their parents and siblings. Strategies may include, but are
36 not limited to, increasing mileage reimbursement for providers,
37 offering transportation-only contract options, and mechanisms to
38 reduce the level of parent-child supervision when doing so is in the

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

3 ~~(o) ((\$3,600,000 of the general fund state appropriation for~~
4 ~~fiscal year 2019 is provided solely for state supplemental payments~~
5 ~~for the state maintenance of effort requirement to qualify for~~
6 ~~medicaid federal financial participation.))~~ For purposes of meeting
7 the state's maintenance of effort for the state supplemental payment
8 program, the department of children, youth, and families shall track
9 and report to the department of social and health services the
10 monthly state supplemental payment amounts attributable to foster
11 care children who meet eligibility requirements specified in the
12 state supplemental payment state plan. Such expenditures must equal
13 at least \$3,100,000 annually and may not be claimed toward any other
14 federal maintenance of effort requirement. Annual state supplemental
15 payment expenditure targets must continue to be established by the
16 department of social and health services. Attributable amounts must
17 be communicated by the department of children, youth, and families to
18 the department of social and health services on a monthly basis.

19 (p) \$1,018,000 of the general fund—state appropriation for fiscal
20 year 2019 and \$195,000 of the general fund—federal appropriation are
21 provided solely for a six percent base rate increase for child care
22 center providers, effective September 1, 2017.

23 (q) \$1,230,000 of the general fund—state appropriation for fiscal
24 year 2019 and \$78,000 of the general fund—federal appropriation are
25 provided solely to increase the travel reimbursement for in-home
26 service providers.

27 (r) The department is encouraged to control exceptional
28 reimbursement decisions so that the child's needs are met without
29 excessive costs.

30 (s) \$1,342,000 of the general fund—state appropriation for fiscal
31 year 2019 and \$959,000 of the general fund—federal appropriation are
32 provided solely to implement Engrossed Substitute Senate Bill No.
33 5890 (foster care and adoption). Within the amounts provided in this
34 section, \$366,000 of the general fund—state appropriation for fiscal
35 year 2019 and \$174,000 of the general fund—federal appropriation are
36 provided solely for short-term care for licensed foster families. If
37 the bill is not enacted by July 31, 2017, the amounts provided in
38 this subsection shall lapse.

1 (t) \$197,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the department to conduct biennial
3 inspections and certifications of facilities, both overnight and day
4 shelters, that serve those who are under 18 years old and are
5 homeless.

6 (u) Beginning in the November 2018 forecast process, and in the
7 2019 supplemental budget and thereafter, funding for the per-capita
8 cost of children in the care and custody of the state who are placed
9 in emergent placement contract beds shall be treated as a foster care
10 maintenance payment and adjusted on the basis of actual and
11 forecasted utilization.

12 (v) \$1,200,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for the department to contract with a
14 national nonprofit organization to offer a comprehensive, community-
15 and research-based model of services to youth and young adults age
16 seventeen through twenty-two who are transitioning from foster care,
17 childhood homelessness, or the juvenile justice system to adulthood.
18 The model shall be operated by community organizations, in three
19 different sites, that are willing and able to ensure fidelity to the
20 model as assessed by the national nonprofit organization. The
21 contract shall supplement, but not supplant, the work of the
22 department to provide extended foster care, and shall be implemented
23 in partnership with private matching funds of at least twenty-five
24 percent of total operating costs.

25 (w) \$250,000 of the general fund—state appropriation for fiscal
26 year 2019 is provided solely for the department to contract with a
27 county-wide nonprofit organization with early childhood expertise in
28 Pierce county for a pilot project that convenes stakeholders to
29 develop and plan an intervention using the help me grow model to
30 prevent child abuse and neglect.

31 (x) \$300,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for the department to work in
33 collaboration with the University of Washington to continue
34 developing and testing a supportive visitation program. The
35 visitation program was jointly developed by the children and families
36 services program and the University of Washington to be delivered by
37 lay visitation supervisors.

38 (y) \$300,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for a demonstration project to test

1 innovative intervention and reconciliation services to support
2 families and youth in crisis who are seeking services to address
3 family conflict.

4 (z) \$533,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely to begin expansion of performance-based
6 contracts for family support and related services through network
7 administrators, pursuant to Proposed Substitute Senate Bill No. 6407
8 (H-4858.4). Of the amount provided in this subsection:

9 (i) \$100,000 is provided solely for the contract development and
10 procurement process at the department of children, youth, and
11 families;

12 (ii) \$433,000 is provided solely for a second network
13 administrator of performance-based contracts, and assumes an
14 implementation date of March 1, 2019.

15 (2) EARLY LEARNING PROGRAM

16	General Fund—State Appropriation (FY 2019)	((\$126,721,000))
17		<u>\$127,579,000</u>
18	General Fund—Federal Appropriation	\$148,179,000
19	Education Legacy Trust Account—State Appropriation . . .	\$14,192,000
20	Home Visiting Services Account—State Appropriation . .	((\$3,191,000))
21		<u>\$5,490,000</u>
22	Home Visiting Services Account—Federal	
23	Appropriation	\$11,708,000
24	WA Opportunity Pathways Account—State Appropriation . . .	\$40,000,000
25	<u>Pension Funding Stabilization Account—State</u>	
26	<u> Appropriation.</u>	<u>\$468,000</u>
27	TOTAL APPROPRIATION.	((\$343,991,000))
28		<u>\$347,616,000</u>

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

31 (a) \$67,938,000 of the general fund—state appropriation for
32 fiscal year 2019, \$12,125,000 of the education legacy trust account—
33 state appropriation, and \$40,000,000 of the opportunity pathways
34 account appropriation are provided solely for the early childhood
35 education and assistance program. These amounts shall support at
36 least 13,491 slots in fiscal year 2019.

1 (b) \$200,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely to develop and provide culturally
3 relevant supports for parents, family, and other caregivers.

4 (c)(i) The department is the lead agency for and recipient of the
5 federal child care and development fund grant. Amounts within this
6 grant shall be used to fund child care licensing, quality
7 initiatives, agency administration, and other costs associated with
8 child care subsidies. The department shall transfer a portion of this
9 grant to the department of social and health services to fund the
10 child care subsidies paid by the department of social and health
11 services on behalf of the department.

12 (ii)(A) If the department receives additional federal child care
13 and development funding while the legislature is not in session, the
14 department shall request a federal allotment adjustment through the
15 unanticipated receipts process defined in RCW 43.79.270 and shall
16 prioritize its request based on the following priorities:

17 (I) Increasing child care rates comparable to market rates based
18 on the most recent market survey;

19 (II) Increasing access to infant and toddler child care;

20 (III) Increasing access to child care in geographic areas where
21 supply for subsidized child care does not meet the demand; and

22 (IV) Providing nurse consultation services to licensed providers.

23 (B) The secretary of the department shall consult with the chairs
24 and ranking members of the appropriate policy committees of the
25 legislature prior to submitting the unanticipated receipt.

26 (d)(i) (~~(\$76,650,000)~~) \$77,253,000 of the general fund—federal
27 appropriation is provided solely for the working connections child
28 care program under RCW 43.215.135. In order to not exceed the
29 appropriated amount, the department shall manage the program so that
30 the average monthly caseload does not exceed 33,000 households. The
31 department shall give prioritized access into the program according
32 to the following order:

33 (A) Families applying for or receiving temporary assistance for
34 needy families (TANF);

35 (B) TANF families curing sanction;

36 (C) Foster children;

37 (D) Families that include a child with special needs;

38 (E) Families in which a parent of a child in care is a minor who
39 is not living with a parent or guardian and who is a full-time

1 student in a high school that has a school-sponsored on-site child
2 care center;

3 (F) Families with a child residing with a biological parent or
4 guardian who have received child protective services, child welfare
5 services, or a family assessment response from the department in the
6 past six months, and has received a referral for child care as part
7 of the family's case management;

8 (G) Families that received subsidies within the last thirty days
9 and:

10 (I) Have reapplied for subsidies; and

11 (II) Have household income of two hundred percent federal poverty
12 level or below; and

13 (H) All other eligible families.

14 (ii) The department, in collaboration with the department of
15 social and health services, must submit a final report by December 1,
16 2018, to the governor and the appropriate fiscal and policy
17 committees of the legislature on quality control measures for the
18 working connections child care program. The report must include:

19 (A) A detailed narrative of the procurement and implementation of
20 an improved time and attendance system, including a detailed
21 accounting of the costs of procurement and implementation;

22 (B) A comprehensive description of all processes, including
23 computer algorithms and additional rule development, that the
24 department and the department of social and health services plan to
25 establish prior to and after full implementation of the time and
26 attendance system. At a minimum, processes must be designed to:

27 (I) Ensure the department's auditing efforts are informed by
28 regular and continuous alerts of the potential for overpayments;

29 (II) Avoid overpayments to the maximum extent possible and
30 expediently recover overpayments that have occurred;

31 (III) Withhold payment from providers when necessary to
32 incentivize receipt of the necessary documentation to complete an
33 audit;

34 (IV) Establish methods for reducing future payments or
35 establishing repayment plans in order to recover any overpayments;

36 (V) Sanction providers, including termination of eligibility, who
37 commit intentional program violations or fail to comply with program
38 requirements, including compliance with any established repayment
39 plans; and

1 (VI) Consider pursuit of prosecution in cases with fraudulent
2 activity; and

3 (C) A description of the process by which fraud is identified and
4 how fraud investigations are prioritized and expedited.

5 (iii) Beginning July 1, 2018, and annually thereafter, the
6 department, in collaboration with the department of social and health
7 services, must report to the governor and the appropriate fiscal and
8 policy committees of the legislature on the status of overpayments in
9 the working connections child care program. The report must include
10 the following information for the previous fiscal year:

11 (A) A summary of the number of overpayments that occurred;

12 (B) The reason for each overpayment;

13 (C) The total cost of overpayments;

14 (D) A comparison to overpayments that occurred in the past two
15 preceding fiscal years; and

16 (E) Any planned modifications to internal processes that will
17 take place in the coming fiscal year to further reduce the occurrence
18 of overpayments.

19 (iv) By January 1, 2019, the department shall revise rules to
20 allow working connections child care consumers who are full-time
21 community or technical college students who have children attending
22 part-day head start or early childhood education and assistance
23 program classrooms to attend college full-time and not have to meet
24 work requirements.

25 (e) Within available amounts, the department in consultation with
26 the office of financial management and the department of social and
27 health services shall report enrollments and active caseload for the
28 working connections child care program to the legislative fiscal
29 committees and the legislative-executive WorkFirst oversight task
30 force on an agreed upon schedule. The report shall also identify the
31 number of cases participating in both temporary assistance for needy
32 families and working connections child care. The department must also
33 report on the number of children served through contracted slots.

34 (f) \$1,560,000 of the general fund—state appropriation for fiscal
35 year 2019 and \$6,712,000 of the general fund—federal appropriation
36 are provided solely for the seasonal child care program. If federal
37 sequestration cuts are realized, cuts to the seasonal child care
38 program must be proportional to other federal reductions made within
39 the department.

1 (g) (~~(\$2,522,000)~~) \$4,674,000 of the general fund—state
2 appropriation for fiscal year 2019 is provided solely for the early
3 childhood intervention prevention services (ECLIPSE) program. The
4 department shall contract for ECLIPSE services to provide therapeutic
5 child care and other specialized treatment services to abused,
6 neglected, at-risk, and/or drug-affected children. Priority for
7 services shall be given to children referred from the department.

8 (h) (~~(\$45,359,000)~~) \$42,706,000 of the general fund—state
9 appropriation for fiscal year 2019 and \$13,954,000 of the general
10 fund—federal appropriation are provided solely to maintain the
11 requirements set forth in chapter 7, Laws of 2015, 3rd sp. sess. The
12 department shall place a ten percent administrative overhead cap on
13 any contract entered into with the University of Washington. In its
14 annual report to the governor and the legislature, the department
15 shall report the total amount of funds spent on the quality rating
16 and improvements system and the total amount of funds spent on degree
17 incentives, scholarships, and tuition reimbursements. Of the amounts
18 provided in this subsection (h), \$577,000 of the general fund—state
19 appropriation for fiscal year 2019 is provided solely for a six
20 percent base rate increase for child care center providers.

21 (i) \$1,728,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for reducing barriers for low-income
23 providers to participate in the early achievers program.

24 (j) \$300,000 of the general fund—state appropriation for fiscal
25 year 2019 is provided solely for a contract with a nonprofit entity
26 experienced in the provision of promoting early literacy for children
27 through pediatric office visits.

28 (k) \$2,000,000 of the education legacy trust account—state
29 appropriation is provided solely for early intervention assessment
30 and services.

31 (l) \$3,445,000 of the general fund—federal appropriation for
32 fiscal year 2019 is provided solely for the department to procure a
33 time and attendance system and are subject to the conditions,
34 limitations, and review provided in section 724 of this act.

35 (m) Information technology projects or investments and proposed
36 projects or investments impacting time capture, payroll and payment
37 processes and systems, eligibility, case management and authorization
38 systems within the department are subject to technical oversight by
39 the office of the chief information officer. The department must

1 collaborate with the office of the chief information officer to
2 develop a strategic business and technology architecture plan for a
3 child care attendance and billing system that supports a statewide
4 architecture.

5 (n)(i)(A) The department is required to provide to the education
6 research and data center, housed at the office of financial
7 management, data on all state-funded early childhood programs. These
8 programs include the early support for infants and toddlers, early
9 childhood education and assistance program (ECEAP), and the working
10 connections and seasonal subsidized childcare programs including
11 license exempt facilities or family, friend, and neighbor care. The
12 data provided by the department to the education research data center
13 must include information on children who participate in these
14 programs, including their name and date of birth, and dates the child
15 received services at a particular facility.

16 (B) ECEAP early learning professionals must enter any new
17 qualifications into the department's professional development
18 registry starting in the 2015-16 school year, and every school year
19 thereafter. By October 2017, and every October thereafter, the
20 department must provide updated ECEAP early learning professional
21 data to the education research data center.

22 (C) The department must request federally funded head start
23 programs to voluntarily provide data to the department and the
24 education research data center that is equivalent to what is being
25 provided for state-funded programs.

26 (D) The education research and data center must provide an
27 updated report on early childhood program participation and K-12
28 outcomes to the house of representatives appropriations committee and
29 the senate ways and means committee using available data by March
30 2018 for the school year ending in 2017.

31 (ii) The department, in consultation with the department of
32 social and health services, must withhold payment for services to
33 early childhood programs that do not report on the name, date of
34 birth, and the dates a child received services at a particular
35 facility.

36 (o) The department shall work with state and local law
37 enforcement, federally recognized tribal governments, and tribal law
38 enforcement to develop a process for expediting fingerprinting and
39 data collection necessary to conduct background checks for tribal
40 early learning and child care providers.

1 (p) \$2,651,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the 2017-2019 collective bargaining
3 agreement covering family child care providers as set forth in
4 section 940 of this act. Amounts provided in this subsection (p) are
5 contingent upon the enactment of Senate Bill No. 5969 (transparency
6 in public employee collective bargaining). If the bill is not enacted
7 by July 31, 2017, the amount provided in this subsection shall lapse.
8 Of the amounts provided in this subsection:

9 (i) \$273,000 is for a base rate increase;

10 (ii) \$55,000 is for increasing paid professional development days
11 from three days to five days;

12 (iii) \$1,708,000 is for the family child care providers 501(c)(3)
13 organization for the substitute pool, training and quality
14 improvement support services, and administration;

15 (iv) \$114,000 is for increasing licensing incentive payments; and

16 (v) \$500,000 is for needs based grants.

17 (q) \$175,000 of the general fund—state appropriation for fiscal
18 year 2019 is provided solely for the department to contract with a
19 nonprofit entity that provides quality improvement services to
20 participants in the early achievers program to implement a community-
21 based training module that supports licensed child care providers who
22 have been rated in early achievers and who are specifically
23 interested in serving children in the early childhood education and
24 assistance program. The module must be functionally translated into
25 Spanish and Somali. The module must prepare trainees to administer
26 all aspects of the early childhood education and assistance program
27 for eligible children in their licensed program and must be offered
28 to 105 child care providers to serve children eligible for the early
29 childhood education and assistance program by June 30, 2019.

30 (r) \$219,000 of the general fund—state appropriation for fiscal
31 year 2019 is provided solely for implementation of chapter 236, Laws
32 of 2017 (SHB 1445) (dual language in early learning & K-12).

33 (s) \$100,000 of the general fund—state appropriation for fiscal
34 year 2019 is provided solely for implementation of chapter 202, Laws
35 of 2017 (E2SHB 1713) (children's mental health).

36 (t) \$317,000 of the general fund—state appropriation for fiscal
37 year 2019 are provided solely for implementation of chapter 162, Laws
38 of 2017 (SSB 5357) (outdoor early learning programs).

1 (u) \$50,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the department, in collaboration
3 with the department of health, to submit a report on child care nurse
4 consultation to the governor and appropriate fiscal and policy
5 committees of the legislature by December 1, 2018. The report must
6 address the following:

7 (i) Provide background on what nurse consultation services are
8 currently available to licensed child care providers; and

9 (ii) Provide options and recommendations, including fiscal
10 estimates, for a plan to provide nurse consultation services to
11 licensed child care providers who request assistance in addressing
12 the health and behavioral needs of children in their care.

13 (v) \$150,000 of the general fund—state appropriation for fiscal
14 year 2019 is provided for the department, in collaboration with the
15 health care authority, to:

16 (i) Develop a common set of definitions to clarify differences
17 between evidence-based, research-based, and promising practices home
18 visiting programs and discrete services provided in the home;

19 (ii) Develop a strategy to expand home visiting programs
20 statewide;

21 (iii) Identify opportunities to leverage medicaid and other
22 federal resources for the operation of current home visiting programs
23 and the statewide strategy for future implementation developed under
24 this section; and

25 (iv) Provide a set of recommendations to the legislature by
26 December 1, 2018.

27 (w) \$163,000 of the general fund—state appropriation for fiscal
28 year 2019 is provided solely for the department to develop a
29 community-based training module in managing and sustaining a child
30 care business for child care providers and entrepreneurs. To develop
31 the training, the department must consult with the statewide child
32 care resource and referral network, the community and technical
33 college system, and one or more community-based organizations with
34 experience in preparing child care providers for entry into the
35 workforce. By November 1, 2018, the department must offer the
36 training as a pilot in rural Jefferson county and urban Pierce
37 county. The department must report on the results of the pilot to the
38 governor and the legislature by December 1, 2019.

1 (x) \$614,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for implementation of Engrossed Second
3 Substitute House Bill No. 2396 (child care). If the bill is not
4 enacted by June 30, 2018, the amount provided in this subsection
5 shall lapse.

6 (y) \$74,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for implementation of Engrossed House
8 Bill No. 2861 (trauma-informed child care). If the bill is not
9 enacted by June 30, 2018, the amount provided in this subsection
10 shall lapse.

11 (z) \$750,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for the implementation of the expanded
13 learning opportunity quality initiative pursuant to RCW
14 43.215.100(3)(d).

15 (3) PROGRAM SUPPORT

16 General Fund—State Appropriation (FY 2019)	((\$50,448,000))
17	\$50,598,000
18 General Fund—Federal Appropriation.	\$15,928,000
19 TOTAL APPROPRIATION.	((\$66,376,000))
20	\$66,526,000

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

23 (a) The appropriations provided in this subsection are provided
24 solely for implementation of Engrossed Second Substitute House Bill
25 No. 1661 (child, youth, families department). If the bill is not
26 enacted by July 31, 2017, the amount provided in this subsection
27 shall lapse.

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

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

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

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

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

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

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

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

18 (c)(i) \$150,000 of the general fund—state appropriation for
19 fiscal year 2019 is provided solely for the department to conduct a
20 study, jointly with the office of homeless youth prevention and
21 protection programs within the department of commerce, on the public
22 system response to families and youth in crisis who are seeking
23 services to address family conflict in the absence of child abuse and
24 neglect.

25 (ii) In conducting the study required under this section, the
26 department and the office shall involve stakeholders involved in
27 advocating and providing services to truants and at-risk youth, and
28 shall consult with local jurisdictions, the Washington administrative
29 office of the courts, and other entities as appropriate. The study
30 shall review the utilization of existing resources such as secure
31 crisis residential centers, crisis residential centers, and HOPE beds
32 and make recommendations to assure effective use or redeployment of
33 these resources.

34 (iii) The department and office shall develop recommendations to
35 improve the delivery of services to youth and families in conflict
36 which shall include a plan to provide community-based early
37 intervention services as well as intensive interventions for families
38 and youth facing crisis so severe that a youth cannot continue to
39 reside in the home or is at risk of experiencing homelessness.
40 Recommendations may include changes to family reconciliation

1 services, and revisions to the at-risk youth and child in need of
2 services petition processes, including consideration of a combined
3 family in need of services petition process or a civil citation
4 process.

5 (iv) The department and the office shall jointly submit
6 recommendations required by this section to the governor and the
7 appropriate legislative committees no later than December 15, 2018.

(End of part)

PART III
NATURAL RESOURCES

Sec. 301. 2017 3rd sp.s. c 1 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund—State Appropriation (FY 2018)	((\$485,000))
	<u>\$462,000</u>
General Fund—State Appropriation (FY 2019)	((\$507,000))
	<u>\$483,000</u>
General Fund—Federal Appropriation	\$32,000
General Fund—Private/Local Appropriation	((\$960,000))
	<u>\$959,000</u>
<u>Pension Funding Stabilization Account—State</u>	
<u>Appropriation</u>	\$46,000
TOTAL APPROPRIATION	((\$1,984,000))
	<u>\$1,982,000</u>

Sec. 302. 2017 3rd sp.s. c 1 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund—State Appropriation (FY 2018)	((\$20,877,000))
	<u>\$19,672,000</u>
General Fund—State Appropriation (FY 2019)	((\$21,411,000))
	<u>\$24,465,000</u>
General Fund—Federal Appropriation	\$106,575,000
General Fund—Private/Local Appropriation	\$23,028,000
Reclamation Account—State Appropriation	\$4,106,000
Flood Control Assistance Account—State Appropriation	\$2,175,000
State Emergency Water Projects Revolving Account—State	
Appropriation	\$40,000
Waste Reduction/Recycling/Litter Control—State	
Appropriation	((\$13,736,000))
	<u>\$14,035,000</u>
State Drought Preparedness Account—State Appropriation	\$204,000
State and Local Improvements Revolving Account (Water	
Supply Facilities)—State Appropriation	\$164,000
Aquatic Algae Control Account—State Appropriation	\$522,000
Water Rights Tracking System Account—State Appropriation	\$47,000

1	Site Closure Account—State Appropriation	\$582,000
2	Wood Stove Education and Enforcement Account—State	
3	Appropriation	\$560,000
4	Worker and Community Right-to-Know Account—State	
5	Appropriation	\$1,872,000
6	Water Rights Processing Account—State Appropriation	\$39,000
7	State Toxics Control Account—State Appropriation	(\$147,806,000)
8		<u>\$149,117,000</u>
9	State Toxics Control Account—Private/Local	
10	Appropriation	\$499,000
11	Local Toxics Control Account—State Appropriation	(\$4,845,000)
12		<u>\$4,869,000</u>
13	Water Quality Permit Account—State Appropriation	(\$44,119,000)
14		<u>\$44,421,000</u>
15	Underground Storage Tank Account—State Appropriation	(\$3,635,000)
16		<u>\$3,666,000</u>
17	Biosolids Permit Account—State Appropriation	\$2,207,000
18	Environmental Legacy Stewardship Account—State	
19	Appropriation	(\$41,259,000)
20		<u>\$41,440,000</u>
21	Hazardous Waste Assistance Account—State	
22	Appropriation	(\$6,466,000)
23		<u>\$6,599,000</u>
24	Radioactive Mixed Waste Account—State Appropriation	(\$18,170,000)
25		<u>\$18,436,000</u>
26	Air Pollution Control Account—State Appropriation	(\$3,437,000)
27		<u>\$3,650,000</u>
28	Oil Spill Prevention Account—State Appropriation	(\$8,469,000)
29		<u>\$8,606,000</u>
30	Air Operating Permit Account—State Appropriation	(\$3,787,000)
31		<u>\$3,819,000</u>
32	Freshwater Aquatic Weeds Account—State Appropriation	\$1,460,000
33	Oil Spill Response Account—State Appropriation	\$7,076,000
34	<u>Dedicated Marijuana Account—State Appropriation</u>	
35	(FY 2019).	\$180,000
36	<u>Pension Funding Stabilization Account—State</u>	
37	<u>Appropriation.</u>	<u>\$2,924,000</u>
38	Water Pollution Control Revolving Administration	
39	Account—State Appropriation	\$3,601,000

1 TOTAL APPROPRIATION. ((~~\$492,774,000~~))
2 \$500,656,000

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

5 (1) \$170,000 of the oil spill prevention account—state
6 appropriation is provided solely for a contract with the University
7 of Washington's sea grant program to continue an educational program
8 targeted to small spills from commercial fishing vessels, ferries,
9 cruise ships, ports, and marinas.

10 ((~~+3~~)) (2) \$15,000,000 of the general fund—state appropriation
11 for fiscal year 2018 and \$15,000,000 of the general fund—state
12 appropriation for fiscal year 2019 are provided solely for activities
13 within the water resources program.

14 ((~~+4~~)) (3) \$228,000 of the general fund—state appropriation for
15 fiscal year 2018 and \$227,000 of the general fund—state appropriation
16 for fiscal year 2019 are provided solely for the department to grant
17 to the northwest straits commission to distribute equally among the
18 seven Puget Sound marine resource committees.

19 ((~~+5~~)) (4) Within existing resources, the department of ecology
20 must engage stakeholders in a revision of WSR 13-22-073, rule
21 amendments to chapter 173-350 WAC, to revise the proposed rule and
22 submit a report to the senate local government and energy,
23 environment, and telecommunications committees and the house of
24 representatives local government and environment committees by
25 September 1, 2017. The report must include a summary of areas of
26 consensus and dispute, proposed resolution of disputes, a list of
27 engaged stakeholders, a proposed timeline for potential rule
28 adoption, and the most recent draft of proposed amendment language,
29 if any.

30 (5) \$180,000 of the general fund—state appropriation for fiscal
31 year 2019, \$44,000 of the waste reduction, recycling and litter
32 control account—state appropriation, \$720,000 of the state toxics
33 control account—state appropriation, \$17,000 of the local toxics
34 control account—state appropriation, \$220,000 of the water quality
35 permit account—state appropriation, \$23,000 of the underground
36 storage tank account—state appropriation, \$132,000 of the
37 environmental legacy stewardship account—state appropriation, \$39,000
38 of the hazardous waste assistance account—state appropriation,
39 \$86,000 of the radioactive mixed waste account—state appropriation,

1 \$18,000 of the air pollution control account—state appropriation,
2 \$41,000 of the oil spill prevention account—state appropriation, and
3 \$23,000 of the air operating permit account—state appropriation are
4 provided solely for modernizing and migrating the department of
5 ecology's business applications from an agency-based data center to
6 the state data center or a cloud environment and are subject to the
7 conditions, limitations, and review provided in section 724, chapter
8 1, Laws of 2017 3rd sp. sess.

9 (6) \$180,000 of the dedicated marijuana account—state
10 appropriation for fiscal year 2019 is provided solely for the
11 implementation of Second Substitute House Bill No. 2227 (marijuana
12 product testing). If the bill is not enacted by June 30, 2018, the
13 amount provided in this subsection shall lapse.

14 (7) \$80,000 of the hazardous waste assistance account—state
15 appropriation is provided solely for the implementation of Substitute
16 House Bill No. 2634 (antifouling paints). If the bill is not enacted
17 by June 30, 2018, the amount provided in this subsection shall lapse.

18 (8) \$240,000 of the waste reduction, recycling, and litter
19 control account—state appropriation is provided solely for the
20 implementation of Engrossed Second Substitute House Bill No. 2914
21 (postconsumer materials). If the bill is not enacted by June 30,
22 2018, the amount provided in this subsection shall lapse.

23 (9) \$97,000 of the state toxics control account—state
24 appropriation is provided solely for the implementation of Engrossed
25 Substitute House Bill No. 2658 (perfluorinated chemicals). If the
26 bill is not enacted by June 30, 2018, the amount provided in this
27 subsection shall lapse.

28 (10) \$190,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$3,707,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for the implementation of
31 Engrossed Substitute Senate Bill No. 6091 (water availability). If
32 the bill is not enacted by June 30, 2018, the amounts provided in
33 this subsection shall lapse.

34 (11)(a) \$625,000 of the general fund—state appropriation for
35 fiscal year 2019 is provided solely to address unpermitted water use
36 in priority watersheds. The legislature recognizes that unpermitted
37 water use in priority watersheds can impair existing instream flows
38 and senior water rights and supports actions taken by the department
39 to reduce unpermitted water use. The department shall engage in

1 compliance and enforcement work to ensure compliance with
2 requirements under chapters 90.03 and 90.44 RCW. Funding is
3 authorized to be used for technical assistance, informal enforcement,
4 and formal enforcement actions.

5 (b) The department shall use funds appropriated under this
6 section to work in water resource inventory areas where: (a) Rules
7 have been adopted under chapters 90.22 or 90.54 RCW; (b) those rules
8 do not specify mitigation requirements for groundwater withdrawals
9 exempt from permitting under RCW 90.44.050; and (c) the department
10 believes unpermitted water use is negatively impacting streamflows.

11 (c) The department shall submit a report to the legislature by
12 December 1, 2019, that summarizes the compliance and enforcement work
13 completed in each basin, including the estimated benefit to
14 streamflows occurring from actions taken.

15 (d) Appropriations under this section should not replace or
16 otherwise impact funds appropriated to the department to carry out
17 duties under RCW 90.03.605 and chapter 90.08 RCW.

18 (12) \$187,000 of the air pollution control account—state
19 appropriation is provided solely to the department to begin a
20 multiyear study to distinguish the sources of emissions of the toxic
21 air pollutant that poses the greatest cancer risk at the air
22 monitoring station that is located closest to a port in the state
23 with the highest volume of container traffic in domestic and foreign
24 waterborne trade, as measured by the United States bureau of
25 transportation statistics for the most recent year such statistics
26 were available, as of January 1, 2017. The local air pollution
27 control authority may financially contribute to the completion of
28 this study, and the department is encouraged to consult with the
29 local air pollution control authority in designing and implementing
30 this study.

31 **Sec. 303.** 2017 3rd sp.s. c 1 s 303 (uncodified) is amended to
32 read as follows:

33 **FOR THE STATE PARKS AND RECREATION COMMISSION**

34	General Fund—State Appropriation (FY 2018)	. . . . .	((\$9,645,000))
35			<u>\$8,993,000</u>
36	General Fund—State Appropriation (FY 2019)	. . . . .	((\$9,945,000))
37			<u>\$9,288,000</u>
38	General Fund—Federal Appropriation	. . . . .	\$6,981,000

1	Winter Recreation Program Account—State Appropriation . . .	\$3,293,000
2	ORV and Nonhighway Vehicle Account—State Appropriation . . .	((\$232,000))
3		<u>\$392,000</u>
4	Snowmobile Account—State Appropriation	\$5,633,000
5	Aquatic Lands Enhancement Account—State Appropriation . . .	\$367,000
6	((Outdoor Education and Recreation Account—State	
7	Appropriation	\$1,500,000))
8	Recreation Access Pass Account—State Appropriation	\$50,000
9	Parks Renewal and Stewardship Account—State	
10	Appropriation	((\$124,759,000))
11		<u>\$125,374,000</u>
12	Parks Renewal and Stewardship Account—Private/Local	
13	Appropriation	((\$318,000))
14		<u>\$420,000</u>
15	<u>Pension Funding Stabilization Account—State</u>	
16	<u>Appropriation</u>	<u>\$1,498,000</u>
17	TOTAL APPROPRIATION	((\$162,723,000))
18		<u>\$162,289,000</u>

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

21 (1) \$129,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$129,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for a grant for the operation of
24 the Northwest weather and avalanche center.

25 (2) \$100,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$100,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the commission to pay
28 assessments charged by local improvement districts.

29 (3) \$700,000 of the parks renewal and stewardship account—state
30 appropriation is provided solely for the commission to replace 32
31 existing automated pay stations and to install 38 additional
32 automated pay stations within state parks.

33 (4) ~~((\$500,000 of the outdoor education and recreation account—~~
34 ~~state appropriation is provided solely for the commission to partner~~
35 ~~with organizations that have at least one veteran on staff in~~
36 ~~implementation of the no child left inside program.))~~ Of the amounts
37 that the commission spends on the no child left inside program,
38 \$500,000 must be used to partner with organizations that have at
39 least one veteran on staff.

1 (5) \$50,000 of the recreation access pass account—state
2 appropriation is provided solely for the commission, using its
3 authority under RCW 79A.05.055(3) and in partnership with the
4 department of fish and wildlife and the department of natural
5 resources, to coordinate a process to develop options and
6 recommendations to improve consistency, equity, and simplicity in
7 recreational access fee systems while accounting for the fiscal
8 health and stability of public land management. The process must be
9 collaborative and include other relevant agencies and appropriate
10 stakeholders. The commission must contract with the William D.
11 Ruckelshaus Center or another neutral third party to facilitate
12 meetings and discussions with parties involved in the process and
13 provide a report to the appropriate committees of the legislature by
14 December 1, 2017. The process must analyze and make recommendations
15 on:

16 (a) Opportunities for federal and state recreational permit fee
17 coordination, including the potential for developing a system that
18 allows a single pass to provide access to federal and state lands;

19 (b) Opportunities to enhance consistency in the way state and
20 federal recreational access fees apply to various types of
21 recreational users, including those that travel to public lands by
22 motor vehicle, boat, bicycle, foot, or another method; and

23 (c) Opportunities to develop a comprehensive and consistent
24 statewide approach to recreational fee discounts and exemptions to
25 social and other groups including, but not limited to, disabled
26 persons, seniors, disabled veterans, foster families, low-income
27 residents, and volunteers. This analysis must examine the cost of
28 such a program, and should consider how recreational fee discounts
29 fit into the broader set of benefits provided by the state to these
30 social groups. This includes a review of the efficacy, purpose, and
31 cost of existing recreational fee discounts and exemptions, as well
32 as opportunities for new or modified social group discounts and
33 exemptions. The department of veterans affairs and the department of
34 social and health services must be included in this portion of the
35 process.

36 **Sec. 304.** 2017 3rd sp.s. c 1 s 304 (uncodified) is amended to
37 read as follows:

38 **FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

39 General Fund—State Appropriation (FY 2018) (~~(\$1,441,000)~~)

1		<u>\$1,401,000</u>
2	General Fund—State Appropriation (FY 2019)	((\$1,398,000))
3		<u>\$1,483,000</u>
4	General Fund—Federal Appropriation	\$3,646,000
5	General Fund—Private/Local Appropriation	\$24,000
6	Aquatic Lands Enhancement Account—State Appropriation	\$495,000
7	Firearms Range Account—State Appropriation	\$37,000
8	Recreation Resources Account—State Appropriation	((\$3,615,000))
9		<u>\$3,614,000</u>
10	NOVA Program Account—State Appropriation	\$1,054,000
11	<u>Pension Funding Stabilization Account—State</u>	
12	<u>Appropriation.</u>	<u>\$80,000</u>
13	TOTAL APPROPRIATION.	((\$11,710,000))
14		<u>\$11,834,000</u>

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

17 (1) \$156,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$156,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for the board to grant to the
20 Nisqually River Foundation for implementation of the Nisqually
21 watershed stewardship plan.

22 (2) \$375,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$375,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for the salmon recovery funding
25 board to grant to the Hood Canal coordinating council for the sole
26 purpose of conducting an ecosystem impact assessment on the Hood
27 Canal. The assessment is to study any causal relationship between the
28 Hood Canal bridge and migrating steelhead and salmon.

29 (3) \$125,000 of the general fund—state appropriation for fiscal
30 year 2019 is provided solely for the board to conduct or contract for
31 a study of the economic and health benefits of trail-based
32 activities, including hiking, walking, and bicycling. The information
33 gathered will assist in decision-making regarding the allocation of
34 dedicated resources and investment in Washington's trail networks.
35 Additionally, the information will aid in increasing and leveraging
36 economic benefits in the development of public-private partnerships
37 aimed at stewardship and growth connected to Washington's trail
38 networks. The study may include, but is not limited to, analysis of
39 the number of people in the state who hike, bike, and walk annually,

1 economic contribution, environmental and social benefits, and mental
 2 and physical health outcomes. The study may also include regional
 3 case studies. As appropriate, the analysis must incorporate data from
 4 the state comprehensive outdoor recreation plan and federal
 5 initiatives to integrate outdoor recreation into GDP accounting. To
 6 allow for a collaborative process, the board must create an advisory
 7 committee of appropriate agencies and stakeholders, including hiking
 8 and bicycling groups. The board must report the results of the study
 9 to the appropriate fiscal and policy committees of the legislature by
 10 October 1, 2019.

11 **Sec. 305.** 2017 3rd sp.s. c 1 s 305 (uncodified) is amended to
 12 read as follows:

13 **FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE**

14	General Fund—State Appropriation (FY 2018)	. . . . .	((\$2,318,000))
15			<u>\$2,190,000</u>
16	General Fund—State Appropriation (FY 2019)	. . . . .	((\$2,375,000))
17			<u>\$2,247,000</u>
18	<u>Pension Funding Stabilization Account—State</u>		
19	Appropriation.		\$255,000
20	TOTAL APPROPRIATION.		((\$4,693,000))
21			<u>\$4,692,000</u>

22 **Sec. 306.** 2017 3rd sp.s. c 1 s 306 (uncodified) is amended to
 23 read as follows:

24 **FOR THE CONSERVATION COMMISSION**

25	General Fund—State Appropriation (FY 2018)	. . . . .	((\$7,301,000))
26			<u>\$7,074,000</u>
27	General Fund—State Appropriation (FY 2019)	. . . . .	((\$7,264,000))
28			<u>\$7,321,000</u>
29	General Fund—Federal Appropriation		\$2,301,000
30	Public Works Assistance Account—State Appropriation.		\$7,620,000
31	State Toxics Control Account—State Appropriation		\$1,000,000
32	<u>Pension Funding Stabilization Account—State</u>		
33	Appropriation.		\$254,000
34	TOTAL APPROPRIATION.		((\$25,486,000))
35			<u>\$25,570,000</u>

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

1 (1) \$7,602,000 of the public works assistance account—state
2 appropriation is provided solely for implementation of the voluntary
3 stewardship program. This amount may not be used to fund agency
4 indirect and administrative expenses.

5 (2)(a) \$50,000 of the general fund—state appropriation for fiscal
6 year 2018 is provided solely for the commission to convene and
7 facilitate a food policy forum. The director of the commission is
8 responsible for appointing participating members of the food policy
9 forum in consultation with the director of the department of
10 agriculture. In making appointments, the director of the commission
11 must attempt to ensure a diversity of knowledge, experience, and
12 perspectives by building on the representation established by the
13 food system roundtable initiated by executive order No. 10-02.

14 (b) In addition to members appointed by the director of the state
15 conservation commission, four legislators may serve on the food
16 policy forum in an ex officio capacity. Legislative participants must
17 be appointed as follows:

18 (i) The speaker of the house of representatives shall appoint one
19 member from each of the two largest caucuses of the house of
20 representatives; and

21 (ii) The president of the senate shall appoint one member from
22 each of the two largest caucuses of the senate.

23 (c) The commission shall coordinate with the office of farmland
24 preservation and the department of agriculture to avoid duplication
25 of effort. The commission must report to the appropriate committees
26 of the legislature, consistent with RCW 43.01.036, with the forum's
27 recommendations by October 31, 2018.

28 (3) (~~(\$375,000)~~) \$275,000 of the general fund—state appropriation
29 for fiscal year 2018 and (~~(\$375,000)~~) \$475,000 of the general fund—
30 state appropriation for fiscal year 2019 are provided solely for
31 grants and technical assistance. Of the amounts provided in this
32 subsection, (~~(\$125,000 in each fiscal year is)~~) \$25,000 in fiscal
33 year 2018 and \$225,000 in fiscal year 2019 are provided solely for
34 activities related to water quality improvements and fecal coliform
35 DNA speciation statewide.

36 (4) \$85,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the implementation of Third
38 Substitute House Bill No. 1562 (WA food policy forum). If the bill is

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

3 **Sec. 307.** 2017 3rd sp.s. c 1 s 307 (uncodified) is amended to
4 read as follows:

5 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

6	General Fund—State Appropriation (FY 2018)	((\$46,860,000))
7		<u>\$45,527,000</u>
8	General Fund—State Appropriation (FY 2019)	((\$46,483,000))
9		<u>\$47,227,000</u>
10	General Fund—Federal Appropriation	((\$118,809,000))
11		<u>\$130,476,000</u>
12	General Fund—Private/Local Appropriation	((\$63,920,000))
13		<u>\$63,988,000</u>
14	ORV and Nonhighway Vehicle Account—State Appropriation .	((\$437,000))
15		<u>\$699,000</u>
16	Aquatic Lands Enhancement Account—State	
17	Appropriation	\$10,460,000
18	Recreational Fisheries Enhancement—State	
19	Appropriation	((\$3,084,000))
20		<u>\$3,122,000</u>
21	Warm Water Game Fish Account—State Appropriation . . .	((\$2,773,000))
22		<u>\$2,668,000</u>
23	Eastern Washington Pheasant Enhancement Account—State	
24	Appropriation	\$675,000
25	State Wildlife Account—State Appropriation	((\$118,033,000))
26		<u>\$117,951,000</u>
27	Special Wildlife Account—State Appropriation	((\$71,000))
28		<u>\$3,234,000</u>
29	Special Wildlife Account—Federal Appropriation	\$505,000
30	Special Wildlife Account—Private/Local Appropriation . . .	\$3,576,000
31	Wildlife Rehabilitation Account—State Appropriation	\$361,000
32	Ballast Water Management Account—State Appropriation.	\$10,000
33	Hydraulic Project Approval Account—State Appropriation .	((\$690,000))
34		<u>\$31,000</u>
35	Environmental Legacy Stewardship Account—State	
36	Appropriation	\$2,765,000
37	Regional Fisheries Enhancement Salmonid Recovery Account—	
38	Federal Appropriation	\$5,001,000

1	Oil Spill Prevention Account—State Appropriation	\$1,122,000
2	<u>Pension Funding Stabilization Account—State</u>	
3	<u>Appropriation.</u>	<u>\$5,178,000</u>
4	Oyster Reserve Land Account—State Appropriation	\$527,000
5	Performance Audits of Government Account—State	
6	Appropriation.	\$325,000
7	Aquatic Invasive Species Management Account—State	
8	Appropriation.	\$1,658,000
9	TOTAL APPROPRIATION.	((\$428,145,000))
10		<u>\$447,086,000</u>

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

13 (1) ~~((\$467,000))~~ \$67,000 of the general fund—state appropriation
14 for fiscal year 2018 and \$467,000 of the general fund—state
15 appropriation for fiscal year 2019 are provided solely to pay for
16 emergency fire suppression costs. These amounts may not be used to
17 fund agency indirect and administrative expenses.

18 (2) \$1,098,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$1,098,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for payments in lieu of real
21 property taxes to counties that elect to receive the payments for
22 department-owned game lands within the county.

23 (3) \$415,000 of the general fund—state appropriation for fiscal
24 year 2018, \$415,000 of the general fund—state appropriation for
25 fiscal year 2019, and \$440,000 of the general fund—federal
26 appropriation are provided solely for county assessments.

27 (4) Prior to submitting its 2019-2021 biennial operating and
28 capital budget requests related to state fish hatcheries to the
29 office of financial management, the department shall contract with
30 the hatchery scientific review group (HSRG) to review the proposed
31 requests. This review shall: (a) Determine if the proposed requests
32 are consistent with HSRG recommendations; (b) prioritize the
33 components of the requests based on their contributions to protecting
34 wild salmonid stocks and meeting the recommendations of the HSRG; and
35 (c) evaluate whether the proposed requests are being made in the most
36 cost-effective manner. The department shall provide a copy of the
37 HSRG review to the office of financial management with its agency
38 budget proposal.

1 (5) \$400,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$400,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for a state match to support the
4 Puget Sound nearshore partnership between the department and the
5 United States army corps of engineers. Prior to implementation of any
6 Puget Sound nearshore ecosystem restoration projects in Whatcom
7 county, the department must consult with and seek, to the maximum
8 extent practicable, consensus on those projects among appropriate
9 landowners, federally recognized Indian tribes, agencies, and
10 community and interest groups.

11 (6) Within the amounts appropriated in this section, the
12 department shall identify additional opportunities for partnerships
13 in order to keep fish hatcheries operational. Such partnerships shall
14 aim to maintain fish production and salmon recovery with less
15 reliance on state operating funds.

16 (7) \$525,000 of the general fund—state appropriation for fiscal
17 year 2018 and (~~(\$425,000)~~) \$525,000 of the general fund—state
18 appropriation for fiscal year 2019 are provided solely for training
19 for a work unit to engage and empower diverse stakeholders in
20 decisions about fish and wildlife, (~~and~~) the continued conflict
21 transformation with the wolf advisory group, and for cost share
22 partnerships with livestock owners and the use of range riders to
23 reduce the potential for depredation of livestock from wolves. The
24 department shall cooperate with the department of agriculture to
25 shift the responsibility of implementing cost-sharing contracts with
26 livestock producers to use nonlethal actions to minimize livestock
27 loss from wolves and other carnivores to the department of
28 agriculture.

29 (8) \$1,259,000 of the state wildlife account—state appropriation
30 is provided solely for the fish program, including implementation of
31 Substitute House Bill No. 1597 (commercial fishing). If the bill is
32 not enacted by July 31, 2017, the amount provided in this subsection
33 shall lapse.

34 (9) \$1,630,000 of the aquatic invasive species management
35 account, \$600,000 of the general fund—federal appropriation, \$62,000
36 of the state wildlife account—state appropriation, and \$10,000 of the
37 ballast water management account—state appropriation are provided
38 solely for activities related to aquatic invasive species, including
39 implementation of Substitute House Bill No. 1429 or Substitute Senate

1 Bill No. 5303 (aquatic invasive species). If neither bill is enacted
2 by July 31, 2017, the amounts provided in this subsection shall
3 lapse.

4 (10) Within amounts provided in this section, the department must
5 consult with affected tribes and landowners in Skagit county to
6 develop and implement a plan designed to address elk-related
7 agricultural damage and vehicular collisions by using all available
8 and appropriate methods including, but not limited to, cooperative
9 fencing projects and harvest in order to minimize elk numbers on
10 private lands and maximize the number of elk located on state and
11 federal lands. The plan must be implemented by September 1, 2018.

12 (11) Within the appropriations of this section, the department
13 shall initiate outreach with recreational fishing stakeholders so
14 that recreational fishing guide and non-guided angler data can be
15 collected and analyzed to evaluate changes in the structure of guide
16 licensing, with the objectives of: (a) Improving the fishing
17 experience and ensuring equitable opportunity for both guided and
18 non-guided river anglers, (b) managing fishing pressure to protect
19 wild steelhead and other species; and (c) ensuring that recreational
20 fish guiding remains a sustainable economic contributor to rural
21 economies. The department shall convene public meetings in the North
22 Olympic Peninsula and Klickitat River areas, and may include other
23 areas of the state, and shall provide the appropriate standing
24 committees of the legislature a summary of its findings, by December
25 31, 2017.

26 ~~(12) ((\$450,000 of the general fund state appropriation for
27 fiscal year 2018 and \$450,000 of the general fund state appropriation
28 for fiscal year 2019 are provided solely for the department to grant
29 to the regional fisheries enhancement groups.~~

30 ~~(13))~~(a) \$5,500,000 of the general fund—state appropriation for
31 fiscal year 2018, \$5,500,000 of the general fund—state appropriation
32 for fiscal year 2019, and \$325,000 of the performance audits of
33 government account—state appropriation are provided solely as one-
34 time funding to support the department in response to its budget
35 shortfall. Of the amounts provided in this subsection, \$450,000 of
36 the general fund—state appropriation for fiscal year 2018 and
37 \$450,000 of the general fund—state appropriation for fiscal year 2019
38 are provided solely for the department to grant to the regional
39 fisheries enhancement groups. In order to address this shortfall on a

1 long-term basis, the department must develop a plan for balancing
2 projected revenue and expenditures and improving the efficiency and
3 effectiveness of agency operations, including:

4 (i) Expenditure reduction options that maximize administrative
5 and organizational efficiencies and savings, while avoiding hatchery
6 closures and minimizing impacts to fisheries and hunting
7 opportunities; and

8 (ii) Additional revenue options and an associated outreach plan
9 designed to ensure that the public, stakeholders, the commission, and
10 legislators have the opportunity to understand and impact the design
11 of the revenue options.

12 (iii) The range of options created under (a)(i) and (ii) of this
13 subsection must be prioritized by impact on achieving financial
14 stability, impact on the public and fisheries and hunting
15 opportunities, and on timeliness and ability to achieve intended
16 outcomes.

17 (b) In consultation with the office of financial management, the
18 department must consult with an outside management consultant to
19 evaluate and implement efficiencies to the agency's operations and
20 management practices. Specific areas of evaluation must include:

21 (i) Potential inconsistencies and increased costs associated with
22 the decentralized nature of organizational authority and operations;

23 (ii) The department's budgeting and accounting processes,
24 including work done at the central, program, and region levels, with
25 specific focus on efficiencies to be gained by centralized budget
26 control;

27 (iii) Executive management, program management, and regional
28 management structures, specifically addressing accountability.

29 (c) In carrying out these planning requirements, the department
30 must provide quarterly updates to the commission, office of financial
31 management, and appropriate legislative committees. The department
32 must provide a final summary of its process and plan by (~~May~~)
33 September 1, 2018.

34 (d) The department, in cooperation with the office of financial
35 management shall conduct a zero-based budget review of its operating
36 budget and activities to be submitted with the department's 2019-2021
37 biennial budget submittal. Information and analysis submitted by the
38 department for the zero-based review under this subsection shall
39 include:

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

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

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

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

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

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

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

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

21 (13) \$528,000 of the general fund—state appropriation for fiscal
22 year 2018, \$511,000 of the general fund—state appropriation for
23 fiscal year 2019, and \$103,000 of the state wildlife account—state
24 appropriation are provided solely for the department to modernize its
25 network infrastructure in the 2017-2019 biennium in preparation to
26 migrate the department's business applications from an agency-based
27 data center to the state data center or a cloud-based environment in
28 the 2019-2021 biennium and are subject to the conditions,
29 limitations, and review provided in section 724, chapter 1, Laws of
30 2017 3rd sp. sess.

31 (14) \$580,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for the implementation of Engrossed
33 Substitute Senate Bill No. 6091 (water availability). If the bill is
34 not enacted by June 30, 2018, the amount provided in this subsection
35 shall lapse.

36 (15) \$183,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the implementation of Engrossed
38 Substitute House Bill No. 2771 (wolves/translocation). If the bill is

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

3 (16) The department may not spend funds, staff time, or other
4 resources on the south unit Shillapoo and Buckmire slough project
5 until one of the following has occurred:

6 (a) The department makes payments to all public and private
7 entities that contributed to the purchase of the unit's 540 acres of
8 waterfowl habitat, in amounts that are equal to the amounts the
9 entity contributed towards the purchase; or

10 (b) The department acquires a like 540 acres of habitat with the
11 same carrying capacity for waterfowl and other fauna identified by
12 the department, in particular the endangered Columbian white-tailed
13 deer.

14 (17) \$76,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$472,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for the department to increase
17 enforcement of vessel traffic near orca whales, especially commercial
18 and recreational whale watchers and shipping, and to reduce
19 underwater noise levels that interfere with feeding and
20 communication. While the patrol focus is to be on orca whale
21 protection when the animals are present, nothing prohibits responses
22 to emergent public safety or in-progress poaching incidents. In the
23 event that orca whales are not present in marine waters of Puget
24 Sound, emphasis will be placed on patrols that protect living marine
25 resources in northern Puget Sound.

26 (18) \$245,000 of the general fund--state appropriation for fiscal
27 year 2019 is provided solely for the inventory and maintenance of
28 fish screens in the Puget Sound, Methow, and Wenatchee drainages to
29 protect juvenile salmonids.

30 **Sec. 308.** 2017 3rd sp.s. c 1 s 308 (uncodified) is amended to
31 read as follows:

32 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

33	General Fund—State Appropriation (FY 2018)	. . . . .	((\$48,463,000))
34			\$82,001,000
35	General Fund—State Appropriation (FY 2019)	. . . . .	((\$48,264,000))
36			\$51,529,000
37	General Fund—Federal Appropriation	. . . . .	((\$27,329,000))
38			\$36,503,000

1	General Fund—Private/Local Appropriation	((\$2,372,000))
2		<u>\$3,230,000</u>
3	Forest Development Account—State Appropriation . . .	((\$56,643,000))
4		<u>\$50,204,000</u>
5	ORV and Nonhighway Vehicle Account—State	
6	Appropriation	((\$8,449,000))
7		<u>\$7,854,000</u>
8	Surveys and Maps Account—State Appropriation	((\$3,462,000))
9		<u>\$2,480,000</u>
10	Aquatic Lands Enhancement Account—State	
11	Appropriation	((\$13,262,000))
12		<u>\$16,162,000</u>
13	Resources Management Cost Account—State	
14	Appropriation	((\$121,559,000))
15		<u>\$121,650,000</u>
16	Surface Mining Reclamation Account—State	
17	Appropriation	((\$4,130,000))
18		<u>\$4,123,000</u>
19	Disaster Response Account—State Appropriation.	((\$23,076,000))
20		<u>\$15,051,000</u>
21	Forest and Fish Support Account—State Appropriation. . .	\$12,790,000
22	Aquatic Land Dredged Material Disposal Site Account—State	
23	Appropriation.	\$400,000
24	Natural Resources Conservation Areas Stewardship Account—State	
25	Appropriation	((\$34,000))
26		<u>\$232,000</u>
27	State Toxics Control Account—State Appropriation. . .	((\$10,705,000))
28		<u>\$10,704,000</u>
29	Forest Practices Application Account—State	
30	Appropriation	((\$2,158,000))
31		<u>\$1,900,000</u>
32	Air Pollution Control Account—State Appropriation	\$872,000
33	NOVA Program Account—State Appropriation	\$734,000
34	<u>Pension Funding Stabilization Account—State</u>	
35	<u>Appropriation.</u>	<u>\$3,239,000</u>
36	Derelict Vessel Removal Account—State Appropriation.	\$1,946,000
37	Community Forest Trust Account—State Appropriation.	\$52,000
38	Agricultural College Trust Management Account—State	
39	Appropriation	((\$3,056,000))

1 \$3,059,000
2 TOTAL APPROPRIATION. ((~~\$389,756,000~~))
3 \$426,715,000

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

6 (1) \$1,420,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$1,352,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for deposit into the
9 agricultural college trust management account and are provided solely
10 to manage approximately 70,700 acres of Washington State University's
11 agricultural college trust lands.

12 (2) (~~(\$16,546,000)~~) \$51,736,000 of the general fund—state
13 appropriation for fiscal year 2018, \$16,546,000 of the general fund—
14 state appropriation for fiscal year 2019, and (~~(\$16,050,000)~~)
15 \$8,025,000 of the disaster response account—state appropriation are
16 provided solely for emergency fire suppression. The general fund—
17 state appropriations provided in this subsection may not be used to
18 fund the department's indirect and administrative expenses. The
19 department's indirect and administrative costs shall be allocated
20 among its remaining accounts and appropriations.

21 (3) \$5,000,000 of the forest and fish support account—state
22 appropriation is provided solely for outcome-based performance
23 contracts with tribes to participate in the implementation of the
24 forest practices program. Contracts awarded may only contain indirect
25 costs set at or below the rate in the contracting tribe's indirect
26 cost agreement with the federal government. If federal funding for
27 this purpose is reinstated, the amount provided in this subsection
28 shall lapse.

29 (4) \$1,640,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$1,640,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for the department to carry out
32 the forest practices adaptive management program pursuant to RCW
33 76.09.370 and the May 24, 2012, settlement agreement entered into by
34 the department and the department of ecology. Scientific research
35 must be carried out according to the master project schedule and work
36 plan of cooperative monitoring, evaluation, and research priorities
37 adopted by the forest practices board. The forest practices board
38 shall submit a report to the legislature following review, approval,
39 and solicitation of public comment on the cooperative monitoring,

1 evaluation, and research master project schedule, to include:
2 Cooperative monitoring, evaluation, and research science and related
3 adaptive management expenditure details, accomplishments, the use of
4 cooperative monitoring, evaluation, and research science in decision-
5 making, and funding needs for the coming biennium. For new or amended
6 forest practices rules adopted or new or amended board manual
7 provisions approved under chapter 76.09 RCW, the forest practices
8 board shall also report on its evaluation of the scientific basis for
9 the rule or board manual provisions including a technical assessment
10 of the value-added benefits for aquatic resources and the
11 corresponding economic impact to the regulated community from the
12 rule or board manual. The report shall be provided to the appropriate
13 committees of the legislature by November 1, 2018.

14 (5) \$147,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$147,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for chapter 280, Laws of 2017
17 (ESHB 2010) (homelessness/wildfire areas), including local capacity
18 for wildfire suppression in any county located east of the crest of
19 the Cascade mountain range that shares a common border with Canada
20 and has a population of one hundred thousand or fewer. The funding
21 provided in this subsection must be provided to these counties for
22 radio communication equipment, or to fire protection service
23 providers within these counties for residential wildfire risk
24 reduction activities, including education and outreach, technical
25 assistance, fuel mitigation, and other residential risk reduction
26 measures. For the purposes of this subsection, fire protection
27 service providers include fire departments, fire districts, emergency
28 management services, and regional fire protection service
29 authorities. The department must prioritize funding to counties
30 authorized in this subsection, and fire protection service providers
31 within those counties that serve a disproportionately higher
32 percentage of low-income residents as defined in RCW 84.36.042, that
33 are located in areas of higher wildfire risk, and whose fire
34 protection service providers have a shortage of reliable equipment
35 and resources. Of the amount provided in this subsection, \$7,000 per
36 fiscal year is provided for department administration costs.

37 (6) Sufficient funding is provided in this section and the
38 capital appropriations act to implement chapter 248, Laws of 2017
39 (E2SHB 1711) (forest health treatments).

1 (7) \$211,000 of the general fund—state appropriation for fiscal
2 year 2018 is provided solely for implementation of chapter 319, Laws
3 of 2017 (ESSB 5198) (fire retardant use). The department shall study
4 and report on the types and efficacy of fire retardants used in fire
5 suppression activities, their potential impact on human health and
6 natural resources, and make recommendations to the legislature by
7 December 31, 2017.

8 (8) \$505,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$486,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for implementation of chapter
11 95, Laws of 2017 (2SSB 5546) (forest health treatment assessment).
12 The department shall establish a forest health assessment and
13 treatment framework that consists of biennial forest health
14 assessments, treatments, and progress review and reporting.

15 (9) \$150,000 of the aquatic lands enhancement account—state
16 appropriation is provided solely for continued facilitation and
17 support services for the marine resources advisory council.

18 (10) \$250,000 of the aquatic lands enhancement account—state
19 appropriation is provided solely for implementation of the state
20 marine management plan and ongoing costs of the Washington coastal
21 marine advisory council to serve as a forum and provide
22 recommendations on coastal management issues.

23 (11) \$406,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$350,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for Teanaway community forest
26 operations management costs, such as management plan oversight and
27 forest health.

28 (12) \$150,000 of the state toxics control account—state
29 appropriation is provided solely for the department to meet its
30 obligations as a potentially liable party under the Washington model
31 toxics control act at Whitmarsh landfill and the east waterway site.

32 (13) \$25,000 of the general fund—state appropriation for fiscal
33 year 2018 is provided solely for conducting an aerial survey of the
34 Washington coast forests to monitor the occurrence and spread of
35 Swiss needle cast disease.

36 (14) \$25,000 of the general fund—state appropriation for fiscal
37 year 2018 is provided solely for the department to grant to the
38 University of Washington, Olympic natural resources center to develop

1 a plan to mitigate the effects of Swiss needle cast disease on
2 douglas fir tree species.

3 (15) Within existing resources, the department, in collaboration
4 with the emergency management division of the military department,
5 must develop agreements with other state agencies to recruit state
6 employees to voluntarily participate in the wildfire suppression
7 program. Other agency staff are eligible to receive training, fire
8 gear, and any other necessary items to be ready for deployment to
9 fight wildfires when called. The department shall cover agency staff
10 costs directly or through reimbursement and must submit a request for
11 an appropriation in the next legislative session to fulfill this
12 requirement. The department must provide a report detailing the
13 opportunities, challenges, and recommendations for increasing state
14 employee voluntary participation in the wildfire suppression program
15 to the appropriate committees of the legislature by December 1, 2017.

16 (16) \$27,000 of the general fund—state appropriation for fiscal
17 year 2019, \$23,000 of the forest development account—state
18 appropriation, and \$50,000 of the resources management cost account—
19 state appropriation are provided solely for the department to
20 contract with a consultant to develop a plan, in consultation with
21 the office of financial management, and cost estimate to modernize
22 and migrate the department's business applications from an agency-
23 based data center to the state data center or a cloud-based
24 environment.

25 (17) \$42,000 of the forest development account—state
26 appropriation, \$56,000 of the resources management cost account—state
27 appropriation, and \$2,000 of the agricultural college trust
28 management account—state appropriation are provided solely for the
29 implementation of Engrossed Substitute House Bill No. 2285 (marbled
30 murrelet reports). If the bill is not enacted by June 30, 2018, the
31 amounts provided in this subsection shall lapse.

32 (18) \$6,000 of the forest development account—state
33 appropriation, \$36,000 of the resources management cost account—state
34 appropriation, and \$1,000 of the agricultural college trust
35 management account—state appropriation are provided solely for the
36 implementation of Third Substitute House Bill No. 2382 (surplus
37 public property). If the bill is not enacted by June 30, 2018, the
38 amounts provided in this subsection shall lapse.

1 (19) \$57,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$136,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for the implementation of
4 Substitute House Bill No. 2561 (wildland fire advisory committee). If
5 the bill is not enacted by June 30, 2018, the amounts provided in
6 this subsection shall lapse.

7 (20) \$403,000 of the general fund—state appropriation for fiscal
8 year 2019 is provided solely for the implementation of House Bill No.
9 2733 (prescribed burn certificate program). If the bill is not
10 enacted by June 30, 2018, the amount provided in this subsection
11 shall lapse.

12 (21) \$873,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely to the department to provide to the
14 Kittitas county fire district seven as matching funds for a federal
15 staffing for adequate fire and emergency response (SAFER) grant.

16 **Sec. 309.** 2017 3rd sp.s. c 1 s 309 (uncodified) is amended to
17 read as follows:

18 **FOR THE DEPARTMENT OF AGRICULTURE**

19	General Fund—State Appropriation (FY 2018)	. . . . .	((\$17,281,000))
20			<u>\$17,027,000</u>
21	General Fund—State Appropriation (FY 2019)	. . . . .	((\$17,525,000))
22			<u>\$17,383,000</u>
23	General Fund—Federal Appropriation	. . . . .	((\$31,424,000))
24			<u>\$32,149,000</u>
25	General Fund—Private/Local Appropriation	. . . . .	\$193,000
26	Aquatic Lands Enhancement Account—State Appropriation		((\$2,565,000))
27			<u>\$2,566,000</u>
28	State Toxics Control Account—State Appropriation	. . . . .	((\$5,534,000))
29			<u>\$6,070,000</u>
30	Water Quality Permit Account—State Appropriation	. . . . .	\$73,000
31	<u>Pension Funding Stabilization Account—State</u>		
32	<u>Appropriation.</u>	. . . . .	<u>\$1,041,000</u>
33	TOTAL APPROPRIATION.	. . . . .	((\$74,595,000))
34			<u>\$76,502,000</u>

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

37 (1) \$6,108,445 of the general fund—state appropriation for fiscal
38 year 2018 and \$6,102,905 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for implementing the food
2 assistance program as defined in RCW 43.23.290.

3 (2) Within amounts appropriated in this section, the department
4 shall provide to the department of health, where available, the
5 following data for all nutrition assistance programs that are funded
6 by the United States department of agriculture and administered by
7 the department. The department must provide the report for the
8 preceding federal fiscal year by February 1, 2018, and February 1,
9 2019. The report must provide:

10 (a) The number of people in Washington who are eligible for the
11 program;

12 (b) The number of people in Washington who participated in the
13 program;

14 (c) The average annual participation rate in the program;

15 (d) Participation rates by geographic distribution; and

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

17 (3) \$132,000 of the general fund—state appropriation for fiscal
18 year 2019 is provided solely for the department to fund an
19 aquaculture coordinator. The aquaculture coordinator will work with
20 shellfish growers and federal, state, and local governments to
21 improve the efficiency and effectiveness of shellfish farm
22 permitting. Many of those improvements will come directly from the
23 shellfish interagency permitting team recommendations.

24 (4) \$85,000 of the general fund—state appropriation for fiscal
25 year 2019 is provided solely for the implementation of Third
26 Substitute House Bill No. 1562 (WA food policy forum). If the bill is
27 not enacted by June 30, 2018, the amount provided in this subsection
28 shall lapse.

29 (5) \$2,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$18,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for the implementation of
32 Engrossed Substitute Senate Bill No. 6091 (water availability). If
33 the bill is not enacted by June 30, 2018, the amounts provided in
34 this subsection shall lapse.

35 (6) \$142,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$145,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for the industrial hemp research
38 pilot program.

1 (7) \$534,000 of the state toxics control account—state
 2 appropriation is provided solely for a monitoring program to study
 3 the impacts of the use of imidacloprid as a means to control
 4 burrowing shrimp and related costs. Department costs include, but are
 5 not limited to, oversight and participation on a technical advisory
 6 committee, technical assistance, planning, and reporting activities.
 7 The department may also use the funding provided in this subsection,
 8 as needed, for payments to Washington State University, the United
 9 States department of agriculture, and outside consultants for their
 10 participation in the monitoring program and technical advisory
 11 committee. The department must report to the appropriate committees
 12 of the legislature by June 1, 2019, on the progress of the monitoring
 13 program.

14 (8) \$2,000 of the general fund—state appropriation for fiscal
 15 year 2019 is provided solely for the implementation of Second
 16 Substitute House Bill No. 2671 (behavioral health/agricultural
 17 industry). If the bill is not enacted by June 30, 2018, the amounts
 18 provided in this subsection shall lapse.

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

21 **FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM**

22 Underground Storage Tank Revolving Account—State

23 Appropriation	((\$10,000))
24	<u>\$90,000</u>

25 Pollution Liability Insurance Program Trust Account—State

26 Appropriation	((\$1,338,000))
27	<u>\$1,339,000</u>

28 TOTAL APPROPRIATION.	((\$1,348,000))
29	<u>\$1,429,000</u>

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

32 **FOR THE PUGET SOUND PARTNERSHIP**

33 General Fund—State Appropriation (FY 2018)	((\$2,922,000))
34	<u>\$2,782,000</u>
35 General Fund—State Appropriation (FY 2019)	((\$2,668,000))
36	<u>\$2,526,000</u>
37 General Fund—Federal Appropriation	((\$8,102,000))

1		<u>\$10,336,000</u>
2	Aquatic Lands Enhancement Account—State	
3	Appropriation.	((\$1,420,000))
4		<u>\$1,419,000</u>
5	State Toxics Control Account—State Appropriation	\$721,000
6	<u>Pension Funding Stabilization Account—State</u>	
7	<u>Appropriation.</u>	<u>\$277,000</u>
8	TOTAL APPROPRIATION.	((\$15,833,000))
9		<u>\$18,061,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations: By October 15, 2018, the Puget Sound
12 partnership shall provide the governor a single, prioritized list of
13 state agency 2019-2021 capital and operating budget requests related
14 to Puget Sound restoration.

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2017 3rd sp.s. c 1 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund—State Appropriation (FY 2018)	((\$1,460,000))
	<u>\$1,687,000</u>
General Fund—State Appropriation (FY 2019)	((\$1,530,000))
	<u>\$1,442,000</u>
Architects' License Account—State Appropriation	((\$995,000))
	<u>\$1,205,000</u>
Professional Engineers' Account—State Appropriation	((\$3,922,000))
	<u>\$3,932,000</u>
Real Estate Commission Account—State Appropriation	((\$11,045,000))
	<u>\$11,575,000</u>
Uniform Commercial Code Account—State Appropriation	((\$3,448,000))
	<u>\$3,472,000</u>
Real Estate Education Program Account—State Appropriation	\$276,000
Real Estate Appraiser Commission Account—State Appropriation	((\$1,870,000))
	<u>\$1,875,000</u>
Business and Professions Account—State Appropriation	((\$19,302,000))
	<u>\$22,019,000</u>
Real Estate Research Account—State Appropriation	\$415,000
<u>Landscape Architects' License Account—State</u>	<u>\$4,000</u>
Geologists' Account—State Appropriation	\$53,000
Derelict Vessel Removal Account—State Appropriation	\$33,000
CPL Renewal Notification Account—State Appropriation	\$183,000
Firearms Range Account—State Appropriation	\$75,000
<u>Pension Funding Stabilization Account—State Appropriation</u>	<u>\$95,000</u>
TOTAL APPROPRIATION	((\$44,607,000))
	<u>\$48,341,000</u>

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

1 (1) \$105,000 of the business and professions account
2 appropriation is provided solely to implement chapter 46, Laws of
3 2017 (SHB 1420) (theatrical wrestling).

4 (2) \$183,000 of the concealed pistol license renewal notification
5 account appropriation and \$75,000 of the firearms range account
6 appropriation are provided solely to implement chapter 74, Laws of
7 2017 (SHB 1100) (concealed pistol license) and chapter 282, Laws of
8 2017 (SB 5268) (concealed pistol license notices).

9 (3) \$198,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$11,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for costs related to sending
12 notices to persons to encourage the renewal of vessel registrations.

13 (4) \$32,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$32,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the department of licensing
16 to issue identicards to youths released from juvenile rehabilitation
17 facilities.

18 (5) The appropriations in this section include sufficient funding
19 for the implementation of Third Substitute House Bill No. 1169
20 (student loan assistance).

21 **Sec. 402.** 2017 3rd sp.s. c 1 s 402 (uncodified) is amended to
22 read as follows:

23 **FOR THE STATE PATROL**

24	General Fund—State Appropriation (FY 2018)	. . . . .	((\$44,994,000))
25			<u>\$44,008,000</u>
26	General Fund—State Appropriation (FY 2019)	. . . . .	((\$45,986,000))
27			<u>\$46,607,000</u>
28	General Fund—Federal Appropriation	. . . . .	\$16,260,000
29	General Fund—Private/Local Appropriation	. . . . .	\$3,085,000
30	Death Investigations Account—State Appropriation	. . .	((\$7,087,000))
31			<u>\$7,185,000</u>
32	County Criminal Justice Assistance Account—State		
33	Appropriation	. . . . .	\$3,755,000
34	Municipal Criminal Justice Assistance Account—State		
35	Appropriation	. . . . .	\$1,521,000
36	Fire Service Trust Account—State Appropriation	. . . . .	\$131,000
37	Vehicle License Fraud Account—State Appropriation	. . . . .	\$110,000
38	Disaster Response Account—State Appropriation	. . . . .	((\$8,000,000))

1		<u>\$12,400,000</u>
2	Fire Service Training Account—State Appropriation	\$11,126,000
3	Aquatic Invasive Species Management Account—State	
4	Appropriation	\$54,000
5	<u>Pension Funding Stabilization Account—State</u>	
6	<u>Appropriation.</u>	<u>\$3,295,000</u>
7	State Toxics Control Account—State Appropriation	\$549,000
8	Fingerprint Identification Account—State	
9	Appropriation	\$15,768,000
10	<u>Dedicated Marijuana Account—State Appropriation</u>	
11	<u>(FY 2019).</u>	<u>\$2,803,000</u>
12	TOTAL APPROPRIATION.	((\$158,426,000))
13		<u>\$168,657,000</u>

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

16 (1) \$270,000 of the fire service training account—state
17 appropriation is provided solely for two FTEs in the office of the
18 state director of fire protection to exclusively review K-12
19 construction documents for fire and life safety in accordance with
20 the state building code. It is the intent of this appropriation to
21 provide these services only to those districts that are located in
22 counties without qualified review capabilities.

23 (2) ((~~\$8,000,000~~)) \$12,400,000 of the disaster response account—
24 state appropriation is provided solely for Washington state fire
25 service resource mobilization costs incurred in response to an
26 emergency or disaster authorized under RCW 43.43.960 through
27 43.43.964. The state patrol shall submit a report quarterly to the
28 office of financial management and the legislative fiscal committees
29 detailing information on current and planned expenditures from this
30 account. This work shall be done in coordination with the military
31 department.

32 (3) \$700,000 of the fire service training account—state
33 appropriation is provided solely for the firefighter apprenticeship
34 training program.

35 (4) \$41,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$41,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for implementation of chapter
38 272, Laws of 2017 (E2SHB 1163) (domestic violence).

1 (5) \$125,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$116,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for implementation of chapter
4 261, Laws of 2017 (SHB 1501) (attempts to obtain firearms).

5 (6) \$104,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$90,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely for implementation of chapter
8 308, Laws of 2017 (SHB 1863) (fire incident reporting system).

9 (7) \$3,421,000 of the fingerprint identification account—state
10 appropriation is provided solely for the completion of the state
11 patrol's plan to upgrade the criminal history system, and is subject
12 to the conditions, limitations, and review provided in section 724 of
13 this act.

14 (8) \$1,039,000 of the fingerprint identification account—state
15 appropriation is provided solely for the implementation of a sexual
16 assault kit tracking database project and is subject to the
17 conditions, limitations, and review provided in section 724 of this
18 act.

19 (9) \$350,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for the costs related to the 1995 king
21 air maintenance.

22 (10) \$2,803,000 of the dedicated marijuana account—state
23 appropriation for fiscal year 2019 is provided solely for the
24 Washington state patrol to create a new drug enforcement task force
25 for the purposes of controlling the potential diversion and illicit
26 production or distribution of marijuana and marijuana-related
27 products in Washington.

(End of part)

PART V
EDUCATION

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund—State Appropriation (FY 2018)	(\$49,844,000)
	<u>\$46,711,000</u>
General Fund—State Appropriation (FY 2019)	(\$47,888,000)
	<u>\$58,034,000</u>
General Fund—Federal Appropriation	(\$68,460,000)
	<u>\$83,973,000</u>
General Fund—Private/Local Appropriation	(\$8,051,000)
	<u>\$8,101,000</u>
Washington Opportunity Pathways Account—State Appropriation	\$584,000
Dedicated Marijuana Account—State Appropriation (FY 2018)	\$513,000
Dedicated Marijuana Account—State Appropriation (FY 2019)	\$516,000
Performance Audits of Government Account—State Appropriation	\$211,000
<u>Pension Funding Stabilization Account—State Appropriation.</u>	<u>\$2,126,000</u>
TOTAL APPROPRIATION.	(\$176,067,000)
	<u>\$200,769,000</u>

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

(1) ((\$10,437,000)) \$9,633,000 of the general fund—state appropriation for fiscal year 2018 and ((\$11,112,000)) \$13,667,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(a) The superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

(b) Districts shall report to the office of the superintendent of public instruction daily student unexcused absence data by school,

1 using a uniform definition of unexcused absence as established by the
2 superintendent.

3 (c) By September of each year, the office of the superintendent
4 of public instruction shall produce an annual status report on
5 implementation of the budget provisos in sections 501 and 513 of this
6 act. The status report of each proviso shall include, but not be
7 limited to, the following information: Purpose and objective, number
8 of state staff funded by the proviso, number of contractors, status
9 of proviso implementation, number of beneficiaries by year, list of
10 beneficiaries, a comparison of budgeted funding and actual
11 expenditures, other sources and amounts of funding, and proviso
12 outcomes and achievements.

13 (d) The superintendent of public instruction, in consultation
14 with the secretary of state, shall update the program prepared and
15 distributed under RCW 28A.230.150 for the observation of temperance
16 and good citizenship day to include providing an opportunity for
17 eligible students to register to vote at school.

18 (e) Districts shall annually report to the office of the
19 superintendent of public instruction on: (i) The annual number of
20 graduating high school seniors within the district earning the
21 Washington state seal of biliteracy provided in RCW 28A.300.575; and
22 (ii) the number of high school students earning competency-based high
23 school credits for world languages by demonstrating proficiency in a
24 language other than English. The office of the superintendent of
25 public instruction shall provide a summary report to the office of
26 the governor and the appropriate committees of the legislature by
27 December 1st of each year.

28 (2) (~~(\$3,857,000)~~) \$1,423,000 of the general fund—state
29 appropriation for fiscal year 2018 and (~~(\$3,857,000)~~) \$6,291,000 of
30 the general fund—state appropriation for fiscal year 2019 are
31 provided solely for activities associated with the implementation of
32 House Bill No. 2242 (fully funding the program of basic education).

33 (3)(a) \$911,000 of the general fund—state appropriation for
34 fiscal year 2018 and \$911,000 of the general fund—state appropriation
35 for fiscal year 2019 are provided solely for the operation and
36 expenses of the state board of education, including basic education
37 assistance activities.

38 (b) \$322,000 of the Washington opportunity pathways account—state
39 appropriation is provided solely for the state board of education to

1 provide assistance to public schools other than common schools
2 authorized under chapter 28A.710 RCW.

3 (4) \$3,512,000 of the general fund—state appropriation for fiscal
4 year 2018 and (~~(\$3,512,000)~~) \$3,161,000 of the general fund—state
5 appropriation for fiscal year 2019 are provided solely to the
6 professional educator standards board for the following:

7 (a) \$1,115,000 in fiscal year 2018 and \$1,115,000 in fiscal year
8 2019 are for the operation and expenses of the Washington
9 professional educator standards board;

10 (b) \$2,372,000 of the general fund—state appropriation for fiscal
11 year 2018 (~~(and \$2,372,000 of the general fund—state appropriation~~
12 ~~for fiscal year 2019 are)~~) is for grants to improve preservice
13 teacher training and for funding of alternate routes to certification
14 programs administered by the professional educator standards board.
15 Alternate routes programs include the pipeline for paraeducators
16 program, the retooling to teach conditional loan programs, and the
17 recruiting Washington teachers program. Priority shall be given to
18 programs that support bilingual teachers and English language
19 learners. Within this subsection (4)(b), up to \$500,000 per fiscal
20 year is available for grants to public or private colleges of
21 education in Washington state to develop models and share best
22 practices for increasing the classroom teaching experience of
23 preservice training programs and \$250,000 is provided solely for the
24 pipeline for paraeducators conditional scholarship program for
25 scholarships for paraeducators to complete their associate of arts
26 degrees in subject matter shortage areas;

27 (c) \$960,000 of the general fund—state appropriation for fiscal
28 year 2019 is for grants to improve preservice teacher training and
29 for funding of alternate routes programs, including the recruiting
30 Washington teachers program.

31 (d) \$1,061,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely to implement Engrossed Fourth Substitute
33 House Bill No. 1827 (educator workforce supply). If the bill is not
34 enacted by June 30, 2018, the amount provided in this subsection
35 shall lapse.

36 (e) \$25,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$25,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for the professional educator
39 standards board to develop educator interpreter standards and

1 identify interpreter assessments that are available to school
2 districts. Interpreter assessments should meet the following
3 criteria: (A) Include both written assessment and performance
4 assessment; (B) be offered by a national organization of professional
5 sign language interpreters and transliterators; and (C) be designed
6 to assess performance in more than one sign system or sign language.
7 The board shall establish a performance standard, defining what
8 constitutes a minimum assessment result, for each educational
9 interpreter assessment identified. The board shall publicize the
10 standards and assessments for school district use;

11 ~~((d))~~ (f) Within the amounts appropriated in this section,
12 sufficient funding is provided for implementation of chapter 172,
13 Laws of 2017 (SHB 1741) (educator prep. data/PESB).

14 (5) \$266,000 of the general fund—state appropriation for fiscal
15 year 2018 and ~~((266,000))~~ \$502,000 of the general fund—state
16 appropriation for fiscal year 2019 are provided solely for the
17 implementation of chapter 240, Laws of 2010, including staffing the
18 office of equity and civil rights.

19 (6)(a) \$61,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$61,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for the ongoing work of the
22 education opportunity gap oversight and accountability committee.

23 (b) Within amounts appropriated in this subsection (6), the
24 committee shall review the rules and procedures adopted by the
25 superintendent of public instruction and the state board of education
26 related to the minimum number of students to be used for public
27 reporting and federal accountability purposes. By October 30, 2018,
28 the committee shall report to the office of the superintendent of
29 public instruction, the state board of education, and the
30 appropriations committees of the legislature with its recommendations
31 for the state to meet the following goals: Increase the visibility of
32 the opportunity gap in schools with small subgroups of students; hold
33 schools and school districts accountable to individual student-level
34 support; and comply with federal student privacy laws.

35 (7) \$61,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$61,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for the implementation of
38 chapter 380, Laws of 2009 (enacting the interstate compact on
39 educational opportunity for military children).

1 (8) \$262,000 of the Washington opportunity pathways account—state
2 appropriation is provided solely for activities related to public
3 schools other than common schools authorized under chapter 28A.710
4 RCW.

5 (9) \$1,802,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$1,802,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely for implementing a comprehensive
8 data system to include financial, student, and educator data,
9 including development and maintenance of the comprehensive education
10 data and research system (CEDARS).

11 (10) \$50,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$50,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for project citizen, a program
14 sponsored by the national conference of state legislatures and the
15 center for civic education to promote participation in government by
16 middle school students.

17 (11) \$1,500,000 of the general fund—state appropriation for
18 fiscal year 2018 is provided solely for collaborative schools for
19 innovation and success authorized under chapter 53, Laws of 2012. The
20 office of the superintendent of public instruction shall award
21 \$500,000 for each collaborative school for innovation and success
22 selected for participation in the pilot program during 2012.

23 (12) \$123,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$123,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for implementation of chapter
26 163, Laws of 2012 (foster care outcomes). The office of the
27 superintendent of public instruction shall annually report each
28 December on the implementation of the state's plan of cross-system
29 collaboration to promote educational stability and improve education
30 outcomes of foster youth.

31 (13) \$250,000 of the general fund—state appropriation for fiscal
32 year 2018 is provided solely for implementation of chapter 178, Laws
33 of 2012 (open K-12 education resources).

34 (14) \$50,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$50,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for school bullying and
37 harassment prevention activities.

38 (15) \$14,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$14,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for implementation of chapter
2 242, Laws of 2013 (state-tribal education compacts).

3 (16) \$62,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$62,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for competitive grants to school
6 districts to increase the capacity of high schools to offer AP
7 computer science courses. In making grant allocations, the office of
8 the superintendent of public instruction must give priority to
9 schools and districts in rural areas, with substantial enrollment of
10 low-income students, and that do not offer AP computer science.
11 School districts may apply to receive either or both of the following
12 grants:

13 (a) A grant to establish partnerships to support computer science
14 professionals from private industry serving on a voluntary basis as
15 coinstructors along with a certificated teacher, including via
16 synchronous video, for AP computer science courses; or

17 (b) A grant to purchase or upgrade technology and curriculum
18 needed for AP computer science, as well as provide opportunities for
19 professional development for classroom teachers to have the requisite
20 knowledge and skills to teach AP computer science.

21 (17) \$10,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$10,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for the superintendent of public
24 instruction to convene a committee for the selection and recognition
25 of Washington innovative schools. The committee shall select and
26 recognize Washington innovative schools based on the selection
27 criteria established by the office of the superintendent of public
28 instruction, in accordance with chapter 202, Laws of 2011 (innovation
29 schools—recognition) and chapter 260, Laws of 2011 (innovation
30 schools and zones).

31 (18) \$100,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$100,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for the Mobius science center to
34 expand mobile outreach of science, technology, engineering, and
35 mathematics (STEM) education to students in rural, tribal, and low-
36 income communities.

37 (19) \$131,000 of the general fund—state appropriation for fiscal
38 year 2018, \$131,000 of the general fund—state appropriation for
39 fiscal year 2019, and \$211,000 of the performance audits of

1 government account—state appropriation are provided solely for the
2 office of the superintendent of public instruction to perform on-
3 going program reviews of alternative learning experience programs,
4 dropout reengagement programs, and other high risk programs. Findings
5 from the program reviews will be used to support and prioritize the
6 office of the superintendent of public instruction outreach and
7 education efforts that assist school districts in implementing the
8 programs in accordance with statute and legislative intent, as well
9 as to support financial and performance audit work conducted by the
10 office of the state auditor.

11 (20) \$150,000 of the general fund—state appropriation for fiscal
12 year 2018 and (~~(\$150,000)~~) \$215,000 of the general fund—state
13 appropriation for fiscal year 2019 are provided solely for youth
14 suicide prevention activities.

15 (21) \$31,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$55,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for the office of the
18 superintendent of public instruction for statewide implementation of
19 career and technical education course equivalency frameworks
20 authorized under RCW 28A.700.070 for math and science. This may
21 include development of additional equivalency course frameworks,
22 course performance assessments, and professional development for
23 districts implementing the new frameworks.

24 (22) \$2,541,000 of the general fund—state appropriation for
25 fiscal year 2018 and \$2,541,000 of the general fund—state
26 appropriation for fiscal year 2019 are provided solely for a corps of
27 nurses located at educational service districts, as determined by the
28 superintendent of public instruction, to be dispatched to the most
29 needy schools to provide direct care to students, health education,
30 and training for school staff.

31 (23) \$300,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$300,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for a nonviolence and ethical
34 leadership training and professional development program provided by
35 the institute for community leadership.

36 (24) \$1,221,000 of the general fund—state appropriation for
37 fiscal year 2018 and \$1,221,000 of the general fund—state
38 appropriation for fiscal year 2019 are provided solely for K-20
39 telecommunications network technical support in the K-12 sector to

1 prevent system failures and avoid interruptions in school utilization
2 of the data processing and video-conferencing capabilities of the
3 network. These funds may be used to purchase engineering and advanced
4 technical support for the network.

5 (25) \$3,940,000 of the general fund—state appropriation for
6 fiscal year 2018 and \$3,940,000 of the general fund—state
7 appropriation for fiscal year 2019 are provided solely for the
8 Washington state achievers scholarship and Washington higher
9 education readiness program. The funds shall be used to: Support
10 community involvement officers that recruit, train, and match
11 community volunteer mentors with students selected as achievers
12 scholars; and to identify and reduce barriers to college for low-
13 income and underserved middle and high school students.

14 (26) \$1,354,000 of the general fund—state appropriation for
15 fiscal year 2018 and (~~(\$1,354,000)~~) \$1,454,000 of the general fund—
16 state appropriation for fiscal year 2019 are provided solely for
17 contracting with a college scholarship organization with expertise in
18 conducting outreach to students concerning eligibility for the
19 Washington college bound scholarship consistent with chapter 405,
20 Laws of 2007.

21 (27) \$410,000 of the general fund—state appropriation for fiscal
22 year 2018, \$280,000 of the general fund—state appropriation for
23 fiscal year 2019, and \$1,029,000 of the dedicated marijuana account—
24 state appropriation are provided solely for dropout prevention,
25 intervention, and reengagement programs, including the jobs for
26 America's graduates (JAG) program, dropout prevention programs that
27 provide student mentoring, and the building bridges statewide
28 program. Students in the foster care system or who are homeless shall
29 be given priority by districts offering the jobs for America's
30 graduates program. The office of the superintendent of public
31 instruction shall convene staff representatives from high schools to
32 meet and share best practices for dropout prevention. Of these
33 amounts, \$513,000 of the dedicated marijuana account—state
34 appropriation for fiscal year 2018, and \$516,000 of the dedicated
35 marijuana account—state appropriation for fiscal year 2019 are
36 provided solely for the building bridges statewide program.

37 (28) \$2,984,000 of the general fund—state appropriation for
38 fiscal year 2018 and \$2,590,000 of the general fund—state
39 appropriation for fiscal year 2019 are provided solely for the

1 Washington kindergarten inventory of developing skills. State funding
2 shall support statewide administration and district implementation of
3 the inventory under RCW 28A.655.080.

4 (29) \$293,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$293,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for the office of the
7 superintendent of public instruction to support district
8 implementation of comprehensive guidance and planning programs in
9 support of high-quality high school and beyond plans consistent with
10 RCW 28A.230.090.

11 (30) \$4,894,000 of the general fund—state appropriation for
12 fiscal year 2018 and \$4,894,000 of the general fund—state
13 appropriation for fiscal year 2019 are provided solely for grants for
14 implementation of dual credit programs and subsidized advance
15 placement exam fees and international baccalaureate class fees and
16 exam fees for low-income students. For expenditures related to
17 subsidized exam fees, the superintendent shall report: The number of
18 students served; the demographics of the students served; and how the
19 students perform on the exams.

20 (31) \$100,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$100,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for the superintendent of public
23 instruction to convene a work group to build upon the work of the
24 social emotional learning work group established under section
25 501(34), chapter 4, Laws of 2015 3rd sp. sess. The members of the
26 work group must include representatives from the same organizations
27 that were represented on the 2015 work group, as well as five
28 representatives of diverse communities and a statewide expanded
29 learning opportunities intermediary. The work group must identify and
30 articulate developmental indicators for each grade level for each of
31 the social emotional learning benchmarks, solicit feedback from
32 stakeholders, and develop a model of best practices or guidance for
33 schools on implementing the benchmarks and indicators. The work group
34 shall submit recommendations to the education committees of the
35 legislature and the office of the governor by June 30, 2019.

36 (32) \$117,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$117,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for implementation of chapter 3
39 (SHB No. 1813), Laws of 2015 1st sp. sess. (computer science).

1 (33) \$450,000 of the general fund—state appropriation for fiscal
2 year 2018 and (~~(\$450,000)~~) \$1,450,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for
4 implementation of chapter 236, Laws of 2017 (SHB 1445) (dual
5 language/early learning & K-12). In selecting recipients of the K-12
6 dual language grant, the superintendent of public instruction must
7 prioritize districts that received grants under section 501(36),
8 chapter 4, Laws of 2015 3rd sp. sess. Of the amounts in this
9 subsection, up to \$1,000,000 of the general fund—state appropriation
10 for fiscal year 2019 is for implementation of the K-12 dual language
11 grant program established in RCW 28A.630.095 and \$450,000 of the
12 general fund—state appropriation for fiscal year 2019 is provided
13 solely for implementation of the bilingual educator initiative pilot
14 project established under RCW 28A.180.120.

15 (34) \$125,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$125,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for the Kip Tokuda memorial
18 Washington civil liberties public education program. The
19 superintendent of public instruction shall award grants consistent
20 with RCW 28A.300.410.

21 (35) \$1,000,000 of the general fund—state appropriation for
22 fiscal year 2018 and \$1,000,000 of the general fund—state
23 appropriation for fiscal year 2019 are provided solely for the
24 computer science and education grant program to support the following
25 three purposes: Train and credential teachers in computer sciences;
26 provide and upgrade technology needed to learn computer science; and,
27 for computer science frontiers grants to introduce students to and
28 engage them in computer science. The office of the superintendent of
29 public instruction must use the computer science learning standards
30 adopted pursuant to chapter 3, Laws of 2015 (computer science) in
31 implementing the grant, to the extent possible. Additionally, grants
32 provided for the purpose of introducing students to computer science
33 are intended to support innovative ways to introduce and engage
34 students from historically underrepresented groups, including girls,
35 low-income students, and minority students, to computer science and
36 to inspire them to enter computer science careers. Grant funds for
37 the computer science and education grant program may be expended only
38 to the extent that they are equally matched by private sources for
39 the program, including gifts, grants, or endowments.

1 (36) \$2,145,000 of the general fund—state appropriation for
2 fiscal year 2018 and \$2,145,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for a contract
4 with a nongovernmental entity or entities for demonstration sites to
5 improve the educational outcomes of students who are dependent
6 pursuant to chapter 13.34 RCW pursuant to chapter 71, Laws of 2016
7 (Fourth Substitute House Bill No. 1999, foster youth edu. outcomes).

8 (a) Of the amount provided in this subsection, \$446,000 of the
9 general fund—state appropriation for fiscal year 2018 and \$446,000 of
10 the general fund—state appropriation for fiscal year 2019 are
11 provided solely for the demonstration site established pursuant to
12 the 2013-2015 omnibus appropriations act, section 202(10), chapter 4,
13 Laws of 2013, 2nd sp. sess.

14 (b) Of the amount provided in this subsection, \$1,015,000 of the
15 general fund—state appropriation for fiscal year 2018 and \$1,015,000
16 of the general fund—state appropriation for fiscal year 2019 are
17 provided solely for the demonstration site established pursuant to
18 the 2015-2017 omnibus appropriations act, section 501(43)(b), chapter
19 4, Laws of 2015, 3rd sp. sess., as amended.

20 (37) \$1,000,000 of the general fund—state appropriation for
21 fiscal year 2018 and \$1,000,000 of the general fund—state
22 appropriation for fiscal year 2019 are provided solely for
23 implementation of chapter 157, Laws of 2016 (Third Substitute House
24 Bill No. 1682, homeless students).

25 (38) \$753,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$703,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for implementation of chapter
28 72, Laws of 2016 (Fourth Substitute House Bill No. 1541, educational
29 opportunity gap).

30 (39) \$57,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$15,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for implementation of chapter
33 240, Laws of 2016 (Engrossed Senate Bill No. 6620, school safety).

34 (40) \$186,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$178,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for implementation of chapter
37 291, Laws of 2017 (2SHB 1170) (truancy reduction efforts).

38 (41) \$984,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$912,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for implementation of chapter
2 237, Laws of 2017 (ESHB 1115) (paraeducators).

3 (42) \$204,000 of the general fund—state appropriation for fiscal
4 year 2018, \$204,000 of the general fund—state appropriation for
5 fiscal year 2019, and \$408,000 of the general fund—federal
6 appropriation are provided solely for implementation of chapter 202,
7 Laws of 2017 (E2SHB 1713) (children's mental health).

8 (43) \$300,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$300,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for grants to middle and high
11 schools to support international baccalaureate programs in high
12 poverty schools. Of these amounts:

13 (a) \$200,000 of the appropriation for fiscal year 2018 and
14 \$200,000 of the appropriation for fiscal year 2019 are provided
15 solely for grants to high schools that have an existing international
16 baccalaureate program and enrollments of seventy percent or more
17 students eligible for free or reduced-price meals in the prior school
18 year to implement and sustain an international baccalaureate program;
19 and

20 (b) \$100,000 of the appropriation for fiscal year 2018 and
21 \$100,000 of the appropriation for fiscal year 2019 are provided
22 solely for grants to middle schools with students that will attend a
23 qualifying high poverty high school that has received a grant under
24 (a) of this subsection to support implementation of a middle school
25 international baccalaureate program.

26 (44) \$240,000 of the general fund—state appropriation for fiscal
27 year 2018 is provided solely for a grant to the Pacific science
28 center to continue providing science on wheels activities in schools
29 and other community settings. Funding is provided to assist with
30 upgrading three planetarium computers and software and to assist with
31 purchasing and outfitting three vans with new traveling planetarium
32 exhibits.

33 (45) (~~(\$100,000)~~) \$40,000 of the general fund—state appropriation
34 for fiscal year 2018 (~~(is)~~) and \$60,000 of the general fund—state
35 appropriation for fiscal year 2019 are provided solely for the office
36 of the superintendent of public instruction to contract for
37 consulting services for a study of the current state pupil
38 transportation funding formula. The study must evaluate the extent to
39 which the formula corresponds to the actual costs of providing pupil

1 transportation to and from school for the state's statutory program
2 of basic education, including local school district characteristics
3 such as unique geographic constraints, and transportation for
4 students who are identified as homeless under the McKinney-Vento act.
5 Based on the results of this evaluation, the superintendent must make
6 recommendations for any necessary revisions to the state's pupil
7 transportation formula, taking into account the statutory program of
8 basic education, promotion of the efficient use of state and local
9 resources, and continued local district control over the management
10 of pupil transportation systems. The superintendent must make
11 recommendations to clarify the sources of funding that districts can
12 use to transport homeless students to and from school.

13 (46) \$440,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$270,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the office of the
16 superintendent of public instruction for the procurement and
17 implementation of a reporting and data aggregation system that will
18 connect state- and district-level information to secure and protect
19 district, school and student information in order to close student
20 performance gaps by assisting school districts in data-driven
21 implementation of strategies and supports that are responsive of
22 student needs.

23 (47) \$150,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$450,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided for the superintendent of public
26 instruction to develop and implement a statewide accountability
27 system to address absenteeism and to improve student graduation
28 rates. The system must use data to engage schools and districts in
29 identifying successful strategies and systems that are based on
30 federal and state accountability measures. Funding may also support
31 the effort to provide assistance about successful strategies and
32 systems to districts and schools that are underperforming in the
33 targeted student subgroups.

34 (48) \$178,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$179,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for implementation of chapter
37 180, Laws of 2017 (2SSB 5258) (Washington Aim program).

38 (49) \$25,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the office of the superintendent of

1 public instruction to form a work group to build on an initial
2 internal report on institutional education funding recommendations.
3 The group shall vet the report with on-the-ground providers and offer
4 recommendations to the legislature on how to establish a new funding
5 structure, funding levels, and support services such as special
6 education, mental health, and career and technical education that
7 more adequately meet the needs of the institutional education
8 programs and the students they serve. Recommendations must be
9 reported by the office to the legislature no later than December 1,
10 2018.

11 (50) \$97,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for implementation of Substitute House
13 Bill No. 1539 (sexual abuse of students). If the bill is not enacted
14 by June 30, 2018, the amount provided in this subsection shall lapse.

15 (51) \$60,000 of the general fund—state appropriation for fiscal
16 year 2019 is provided solely for implementation of Engrossed
17 Substitute House Bill No. 2610 (school meal payment). If the bill is
18 not enacted by June 30, 2018, the amount provided in this subsection
19 shall lapse.

20 (52) \$288,000 of the general fund—state appropriation for fiscal
21 year 2019 is provided solely for implementation of Second Substitute
22 House Bill No. 1377 (student mental health). If the bill is not
23 enacted by June 30, 2018, the amount provided in this subsection
24 shall lapse.

25 (53) \$40,000 of the general fund—state appropriation for fiscal
26 year 2019 is provided solely for implementation of Engrossed Second
27 Substitute House Bill No. 2779 (children's mental health). If the
28 bill is not enacted by June 30, 2018, the amount provided in this
29 subsection shall lapse.

30 (54) \$50,000 of the general fund—state appropriation for fiscal
31 year 2019 is provided solely for implementation of Engrossed Fourth
32 Substitute House Bill No. 1827 (educator workforce supply). If the
33 bill is not enacted by June 30, 2018, the amount provided in this
34 subsection shall lapse.

35 (55) \$121,000 of the general fund—state appropriation for fiscal
36 year 2019 is provided solely for implementation of Second Substitute
37 House Bill No. 2390 (opioid medications/schools). If the bill is not
38 enacted by June 30, 2018, the amount provided in this subsection
39 shall lapse.

1 (56) \$676,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for implementation of Substitute House
3 Bill No. 2748 (learning assistance program). If the bill is not
4 enacted by June 30, 2018, the amount provided in this subsection
5 shall lapse.

6 (57) \$230,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for implementation of Second Substitute
8 House Bill No. 1896 (civics education). If the bill is not enacted by
9 June 30, 2018, the amount provided in this subsection shall lapse.

10 (58) Within amounts appropriated in this section, the office of
11 the superintendent of public instruction and the state board of
12 education shall adopt a rule that the minimum number of students to
13 be used for public reporting and federal accountability purposes is
14 ten.

15 (59)(a) \$125,000 of the general fund—state appropriation for
16 fiscal year 2019 is provided solely for the superintendent of public
17 instruction to assist the office of the governor in developing a
18 strategic plan for work-integrated learning focused on youth
19 apprenticeship.

20 (b) In consultation with the governor's office, the
21 superintendent shall collaborate with the state board for community
22 and technical colleges, workforce training board, department of labor
23 and industries, and employment security department to:

24 (i) Review existing work-integrated learning programs and youth
25 apprenticeship programs;

26 (ii) Analyze barriers to statewide adoption of registered
27 apprenticeship programs and pre-apprenticeship programs; and

28 (iii) Recommend policies to implement strategies that increase
29 statewide youth engagement in registered apprenticeships.

30 (c) Individuals from the public and private sectors with
31 expertise in career and technical education and career-integrated
32 training, including representatives of labor unions, professional
33 technical organizations, and business and industry must be consulted
34 in the development of recommendations.

35 (d) Findings and recommendations must be consolidated into one
36 report delivered to the governor and the education and economic
37 development committees of the legislature by October 1, 2018.

38 (60) \$150,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the office of the superintendent of

1 public instruction to ensure career and technical education courses
2 are aligned with high-demand, high-wage jobs. The superintendent
3 shall verify that the current list of career and technical education
4 courses meets the criteria established in RCW 28A.700.020(2). The
5 superintendent shall remove from the list any career and technical
6 education course that no longer meets such criteria.

7 (61) \$150,000 of the general fund—state appropriation for fiscal
8 year 2019 and \$50,000 of the general fund—private/local appropriation
9 for fiscal year 2019 are provided solely for support of national
10 history day. Activities funded must include outreach, implementation,
11 and support for student participation.

12 (62) \$335,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for implementation of Engrossed Second
14 Substitute House Bill No. 1600 (career and college readiness). If the
15 bill is not enacted by June 30, 2018, the amount provided in this
16 subsection shall lapse.

17 (63) \$100,000 of the general fund—state appropriation for fiscal
18 year 2019 is provided solely to contract with a nonprofit
19 organization that supports Washington teachers in implementing
20 lessons of the Holocaust for the creation of a comprehensive online
21 encyclopedia of local Holocaust education resources. The online
22 encyclopedia must include teaching trunk materials, Anne Frank
23 materials, genocide resources, and video testimonies. Amounts
24 provided in this subsection may be used for: The hiring of program
25 staff and contractors; program planning; oversight and evaluation;
26 and the research, coding, marketing, and creation of online resources
27 and program materials.

28 (64) \$200,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided for the office of the superintendent of public
30 instruction to meet statutory obligations related to the provision of
31 medically and scientifically accurate, age-appropriate, and inclusive
32 sexual health education as authorized by chapter 206, Laws of 1988
33 (AIDS omnibus act) and chapter 265, Laws of 2007 (healthy youth act).

34 (65) \$165,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$915,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for the office of the
37 superintendent of public instruction to provide grants to the
38 Washington state school directors association and individual school
39 districts to assist school directors and school districts to comply

1 with their budgeting and collective bargaining responsibilities under
2 the provisions of chapter 13, Laws of 2017 3rd sp. sess. (EHB 2242).

3 (a) From amounts provided in this subsection, the Washington
4 state school directors association must create school board training
5 modules that inform school directors of their budgeting
6 responsibilities, and their roles and responsibilities preceding and
7 during collective bargaining under chapters 41.56 and 41.59 RCW.

8 (b) The Washington state school directors association may
9 contract for labor relations consultants, legal advisors, and fiscal
10 analysts, to assist specific school boards and school districts to
11 comply with chapters 41.56 and 41.59 RCW by providing legal
12 assistance, bargaining support, and real time proposal analysis. From
13 amounts provided in this subsection, the office of the superintendent
14 of public instruction must provide grants to individual school
15 districts on a sliding scale based on the size of the school district
16 in order for those districts to access labor relations consultants,
17 legal advisors, and fiscal analysts under contract with the
18 Washington state school directors association, or to procure such
19 services under separate contract. The Washington state school
20 directors association and the office of the superintendent of public
21 instruction must administer the funding for such assistance in order
22 to provide the services promptly, with minimum administrative burden,
23 and at no cost for districts with student enrollments at or under two
24 thousand.

25 (66) \$200,000 of the general fund—state appropriation for fiscal
26 year 2019 is provided solely for grants to implement a program that
27 provides hands-on education in financial literacy, work readiness,
28 and entrepreneurship.

29 (67) \$95,000 of the general fund—state appropriation for fiscal
30 year 2019 is provided for the office of the superintendent of public
31 instruction to create and administer a grant program to decrease
32 student participation gaps in extracurricular activities between
33 free- and reduced-price lunch students and full-price lunch students.
34 In making grant allocations, the office of the superintendent of
35 public instruction must give priority to schools and districts with
36 the largest participation gaps between low-income students and
37 higher-income students, as identified by federal free- or reduced-
38 price lunch program eligibility. The office must distribute grants
39 for the 2018-19 school year to school districts by August 31, 2018.

1 (a) Of the amount appropriated in this subsection, \$60,000 of the
2 general fund—state appropriation must be distributed to schools and
3 districts to reduce associated student body fees for low-income
4 students.

5 (b) The office of the superintendent of public instruction must
6 collect the following school-level data from each high school and
7 middle school:

8 (i) Athletic participation fees for full-price, free-, and
9 reduced-price lunch program students;

10 (ii) Associated student body card fees for full-price, free-, and
11 reduced-price lunch program students;

12 (iii) After school athletic participation rate for full-price,
13 free-, and reduced-price lunch program students, excluding students
14 participating in for-credit activities;

15 (iv) The number of associated student body card purchases for
16 full-price, free-, and reduced-price lunch program students;

17 (v) School club participation for full-price, free-, and reduced-
18 price lunch program students; and

19 (vi) Career and technical student organization participation for
20 full-price, free-, and reduced-price lunch program students.

21 (c) No later than June 30, 2018, the office of the superintendent
22 of public instruction must publish a list of schools and districts
23 that are not complying with section 3, chapter 211, Laws of 2014.
24 Schools and districts that the office identifies as noncompliant are
25 ineligible to receive grant allocations under this subsection.

26 (68) The office of the superintendent of public instruction, in
27 collaboration with the department of social and health services
28 developmental disabilities administration and division of vocational
29 rehabilitation, shall explore the development of an implementation
30 plan to build statewide capacity among school districts to improve
31 transition planning for students in special education who meet
32 criteria for services from the developmental disabilities
33 administration, and shall provide all school districts with an
34 opportunity to participate. The plan shall be submitted in compliance
35 with RCW 43.01.036 by November 1, 2018, and the final report must be
36 submitted by November 1, 2020, to the governor and appropriate
37 legislative committees.

38 (69) \$40,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the legislative youth advisory

1 council. The council of statewide members advises legislators on
2 issues of importance to youth.

3 (70) \$150,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely to contract with a nonprofit, civil
5 rights and human relations organization with expertise in tracking
6 and responding to hate incidents in schools, and with experience
7 implementing programs designed to empower students to improve upon
8 and sustain school climates that combat bias and bullying. The
9 contract must expand the organization's current anti-bias programs to
10 public schools across Washington, with at least half of the public
11 schools located east of the crest of the Cascade mountains. Amounts
12 provided in this subsection may be used to support preprogram
13 planning, trainings, guidance, surveys, materials, and the hiring of
14 a part-time contractor to support data tracking.

15 **Sec. 502.** 2017 3rd sp.s. c 1 s 502 (uncodified) is amended to
16 read as follows:

17 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL**
18 **APPORTIONMENT**

19	General Fund—State Appropriation (FY 2018)	. . .	((\$7,183,886,000))
20			<u>\$7,239,334,000</u>
21	General Fund—State Appropriation (FY 2019)	. . .	((\$7,412,055,000))
22			<u>\$7,008,792,000</u>
23	Education Legacy Trust Account—State Appropriation	. . .	\$345,730,000
24	TOTAL APPROPRIATION.	. . . . .	((\$14,941,671,000))
25			<u>\$14,593,856,000</u>

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

28 (1)(a) Each general fund fiscal year appropriation includes such
29 funds as are necessary to complete the school year ending in the
30 fiscal year and for prior fiscal year adjustments.

31 (b) For the 2017-18 and 2018-19 school years, the superintendent
32 shall allocate general apportionment funding to school districts as
33 provided in the funding formulas and salary allocations in sections
34 502 and 503 of this act, excluding (c) of this subsection, and in
35 House Bill No. 2242 (fully funding the program of basic education).

36 (c) From July 1, 2017, to August 31, 2017, the superintendent
37 shall allocate general apportionment funding to school districts

1 programs as provided in sections 502 and 503, chapter 4, Laws of 2015
2 3rd sp. sess., as amended.

3 (d) The enrollment of any district shall be the annual average
4 number of full-time equivalent students and part-time students as
5 provided in RCW 28A.150.350, enrolled on the fourth day of school in
6 September and on the first school day of each month October through
7 June, including students who are in attendance pursuant to RCW
8 28A.335.160 and 28A.225.250 who do not reside within the servicing
9 school district. Any school district concluding its basic education
10 program in May must report the enrollment of the last school day held
11 in May in lieu of a June enrollment.

12 (e)(i) Funding provided in part V of this act is sufficient to
13 provide each full-time equivalent student with the minimum hours of
14 instruction required under RCW 28A.150.220.

15 (ii) The office of the superintendent of public instruction shall
16 align the agency rules defining a full-time equivalent student with
17 the increase in the minimum instructional hours under RCW
18 28A.150.220, as amended by the legislature in 2014.

19 (f) The superintendent shall adopt rules requiring school
20 districts to report full-time equivalent student enrollment as
21 provided in RCW 28A.655.210.

22 (g) For the 2017-18 and 2018-19 school years, school districts
23 must report to the office of the superintendent of public instruction
24 the monthly actual average district-wide class size across each grade
25 level of kindergarten, first grade, second grade, and third grade
26 classes. The superintendent of public instruction shall report this
27 information to the education and fiscal committees of the house of
28 representatives and the senate by September 30th of each year.

29 (h) Funding is provided in this section for a hold-harmless
30 payment beginning with the 2018-19 school year. A school district
31 qualifies for a hold-harmless payment if the sum of the school
32 district's state basic education allocations plus its enrichment levy
33 and local effort assistance under chapter 13, Laws of 2017 3rd sp.
34 sess. is less than the sum of what the district would have received
35 for that year from the state basic education allocations, local
36 maintenance and operation levy, and local effort assistance under the
37 law as it existed on January 1, 2017. For the prior law calculation,
38 it is assumed that the local levy is the lesser of the voter approved
39 levy as of January 1, 2017, and the maximum allowed under the law as
40 it existed on January 1, 2017.

1 (2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

2 Allocations for certificated instructional staff salaries for the
3 2017-18 and 2018-19 school years are determined using formula-
4 generated staff units calculated pursuant to this subsection.

5 (a) Certificated instructional staff units, as defined in RCW
6 28A.150.410, shall be allocated to reflect the minimum class size
7 allocations, requirements, and school prototypes assumptions as
8 provided in RCW 28A.150.260. The superintendent shall make
9 allocations to school districts based on the district's annual
10 average full-time equivalent student enrollment in each grade.

11 (b) Additional certificated instructional staff units provided in
12 this subsection (2) that exceed the minimum requirements in RCW
13 28A.150.260 are enhancements outside the program of basic education,
14 except as otherwise provided in this section.

15 (c)(i) The superintendent shall base allocations for each level
16 of prototypical school on the following regular education average
17 class size of full-time equivalent students per teacher, except as
18 provided in (c)(ii) of this subsection:

19 General education class size:

20 Grade	RCW 28A.150.260	2017-18	2018-19
		School Year	School Year
22 Grade K		17.00	17.00
23 Grade 1		17.00	17.00
24 Grade 2		17.00	17.00
25 Grade 3		17.00	17.00
26 Grade 4		27.00	27.00
27 Grades 5-6		27.00	27.00
28 Grades 7-8		28.53	28.53
29 Grades 9-12		28.74	28.74

30 The superintendent shall base allocations for: Laboratory science
31 average class size as provided in RCW 28A.150.260; career and
32 technical education (CTE) class size of 23.0; and skill center
33 program class size of 20.0.

34 (ii) For each level of prototypical school at which more than
35 fifty percent of the students were eligible for free and reduced-
36 price meals in the prior school year, the superintendent shall

1 allocate funding based on the following average class size of full-
2 time equivalent students per teacher:

3 General education class size in high poverty schools:

4	Grade	RCW 28A.150.260	2017-18	2018-19
5			School Year	School Year
6	Grade K		17.00	17.00
7	Grade 1		17.00	17.00
8	Grade 2		17.00	17.00
9	Grade 3		17.00	17.00
10	Grade 4		27.00	27.00
11	Grades 5-6		27.00	27.00
12	Grades 7-8		28.53	28.53
13	Grades 9-12		28.74	28.74

14 (iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher
15 planning period, expressed as a percentage of a teacher work day, is
16 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

17 (iv) Advanced placement and international baccalaureate courses
18 are funded at the same class size assumptions as general education
19 schools in the same grade; and

20 (d)(i) Funding for teacher librarians, school nurses, social
21 workers, school psychologists, and guidance counselors is allocated
22 based on the school prototypes as provided in RCW 28A.150.260 and (a)
23 of this subsection and is considered certificated instructional
24 staff, except as provided in (d)(ii) of this subsection.

25 (ii) Students in approved career and technical education and
26 skill center programs generate certificated instructional staff units
27 to provide for the services of teacher librarians, school nurses,
28 social workers, school psychologists, and guidance counselors at the
29 following combined rate per 1000 student full-time equivalent
30 enrollment:

31		2017-18	2018-19
32		School Year	School Year
33	Career and Technical Education	3.07	3.07
34	Skill Center	3.41	3.41

35 (3) ADMINISTRATIVE STAFF ALLOCATIONS

1 (a) Allocations for school building-level certificated
2 administrative staff salaries for the 2017-18 and 2018-19 school
3 years for general education students are determined using the formula
4 generated staff units calculated pursuant to this subsection. The
5 superintendent shall make allocations to school districts based on
6 the district's annual average full-time equivalent enrollment in each
7 grade. The following prototypical school values shall determine the
8 allocation for principals, assistance principals, and other
9 certificated building level administrators:

10 Prototypical School Building:

11 Elementary School	1.253
12 Middle School	1.353
13 High School	1.880

14 (b) Students in approved career and technical education and skill
15 center programs generate certificated school building-level
16 administrator staff units at per student rates that are a multiple of
17 the general education rate in (a) of this subsection by the following
18 factors: Career and Technical Education students. 1.025
19 Skill Center students. 1.198

20 (4) CLASSIFIED STAFF ALLOCATIONS

21 Allocations for classified staff units providing school building-
22 level and district-wide support services for the 2017-18 and 2018-19
23 school years are determined using the formula-generated staff units
24 provided in RCW 28A.150.260 and pursuant to this subsection, and
25 adjusted based on each district's annual average full-time equivalent
26 student enrollment in each grade.

27 (5) CENTRAL OFFICE ALLOCATIONS

28 In addition to classified and administrative staff units
29 allocated in subsections (3) and (4) of this section, classified and
30 administrative staff units are provided for the 2017-18 and 2018-19
31 school years for the central office administrative costs of operating
32 a school district, at the following rates:

33 (a) The total central office staff units provided in this
34 subsection (5) are calculated by first multiplying the total number
35 of eligible certificated instructional, certificated administrative,
36 and classified staff units providing school-based or district-wide
37 support services, as identified in RCW 28A.150.260(6)(b) and the

1 increased allocations provided pursuant to subsections (2) and (4) of
2 this section, by 5.3 percent.

3 (b) Of the central office staff units calculated in (a) of this
4 subsection, 74.53 percent are allocated as classified staff units, as
5 generated in subsection (4) of this section, and 25.47 percent shall
6 be allocated as administrative staff units, as generated in
7 subsection (3) of this section.

8 (c) Staff units generated as enhancements outside the program of
9 basic education to the minimum requirements of RCW 28A.150.260, and
10 staff units generated by skill center and career-technical students,
11 are excluded from the total central office staff units calculation in
12 (a) of this subsection.

13 (d) For students in approved career-technical and skill center
14 programs, central office classified units are allocated at the same
15 staff unit per student rate as those generated for general education
16 students of the same grade in this subsection (5), and central office
17 administrative staff units are allocated at staff unit per student
18 rates that exceed the general education rate established for students
19 in the same grade in this subsection (5) by 12.29 percent in the
20 2017-18 school year and 12.29 percent in the 2018-19 school year for
21 career and technical education students, and 17.61 percent in the
22 2017-18 school year and 17.61 percent in the 2018-19 school year for
23 skill center students.

24 (6) FRINGE BENEFIT ALLOCATIONS

25 Fringe benefit allocations shall be calculated at a rate of 23.49
26 percent in the 2017-18 school year and 23.49 percent in the 2018-19
27 school year for certificated salary allocations provided under
28 subsections (2), (3), and (5) of this section, and a rate of 24.60
29 percent in the 2017-18 school year and 24.60 percent in the 2018-19
30 school year for classified salary allocations provided under
31 subsections (4) and (5) of this section.

32 (7) INSURANCE BENEFIT ALLOCATIONS

33 Insurance benefit allocations shall be calculated at the
34 maintenance rate specified in section 504 of this act, based on the
35 number of benefit units determined as follows:

36 (a) The number of certificated staff units determined in
37 subsections (2), (3), and (5) of this section; and

38 (b) The number of classified staff units determined in
39 subsections (4) and (5) of this section multiplied by 1.152. This

1 factor is intended to adjust allocations so that, for the purpose of
 2 distributing insurance benefits, full-time equivalent classified
 3 employees may be calculated on the basis of 1,440 hours of work per
 4 year, with no individual employee counted as more than one full-time
 5 equivalent.

6 (8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

7 Funding is allocated per annual average full-time equivalent
 8 student for the materials, supplies, and operating costs (MSOC)
 9 incurred by school districts, consistent with the requirements of RCW
 10 28A.150.260.

11 (a)(i) MSOC funding for general education students are allocated
 12 at the following per student rates:

13 MSOC RATES/STUDENT FTE

15 MSOC Component	2017-18	2018-19
16	School Year	School Year
18 Technology	\$130.76	(\$132.85) <u>\$133.24</u>
19 Utilities and Insurance	\$355.30	(\$360.98) <u>\$362.05</u>
20 Curriculum and Textbooks	\$140.39	(\$142.64) <u>\$143.06</u>
21 Other Supplies and Library Materials	\$298.05	(\$302.82) <u>\$303.71</u>
22 Instructional Professional Development for Certificated 23 and Classified Staff	\$21.71	(\$22.06) <u>\$22.12</u>
24 Facilities Maintenance	\$176.01	(\$178.83) <u>\$179.36</u>
25 Security and Central Office	\$121.94	(\$123.89) <u>\$124.26</u>
26 TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$1,244.16	(\$1,264.07) <u>\$1,267.80</u>

28 (ii) For the 2017-18 school year and 2018-19 school year, as part
 29 of the budget development, hearing, and review process required by
 30 chapter 28A.505 RCW, each school district must disclose: (A) The
 31 amount of state funding to be received by the district under (a) and
 32 (d) of this subsection (8); (B) the amount the district proposes to
 33 spend for materials, supplies, and operating costs; (C) the
 34 difference between these two amounts; and (D) if (A) of this
 35 subsection (8)(a)(ii) exceeds (B) of this subsection (8)(a)(ii), any

1 proposed use of this difference and how this use will improve student
2 achievement.

3 (b) Students in approved skill center programs generate per
4 student FTE MSOC allocations of \$1,472.01 for the 2017-18 school year
5 and (~~(\$1,495.56)~~) \$1,499.98 for the 2018-19 school year.

6 (c) Students in approved exploratory and preparatory career and
7 technical education programs generate per student FTE MSOC
8 allocations of \$1,472.01 for the 2017-18 school year and
9 (~~(\$1,495.56)~~) \$1,499.98 for the 2018-19 school year.

10 (d) Students in grades 9-12 generate per student FTE MSOC
11 allocations in addition to the allocations provided in (a) through
12 (c) of this subsection at the following rate:

13 MSOC Component	2017-18	2018-19
14	School Year	School Year
15 Technology	\$37.60	((\$38.20)) <u>\$38.31</u>
16 Curriculum and Textbooks	\$41.02	((\$41.67)) <u>\$41.80</u>
17 Other Supplies and Library Materials	\$85.46	((\$86.82)) <u>\$87.08</u>
18 Instructional Professional Development for Certified 19 and Classified Staff	\$6.83	((\$6.95)) <u>\$6.97</u>
20 TOTAL GRADE 9-12 BASIC EDUCATION MSOC/STUDENT FTE	\$170.91	((\$173.64)) <u>\$174.16</u>

21 (9) SUBSTITUTE TEACHER ALLOCATIONS

22 For the 2017-18 and 2018-19 school years, funding for substitute
23 costs for classroom teachers is based on four (4) funded substitute
24 days per classroom teacher unit generated under subsection (2) of
25 this section, at a daily substitute rate of \$151.86.

26 (10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

27 (a) Amounts provided in this section from July 1, 2017, to August
28 31, 2017, are adjusted to reflect provisions of chapter 4, Laws of
29 2015 3rd sp. sess., as amended (allocation of funding for students
30 enrolled in alternative learning experiences).

31 (b) The superintendent of public instruction shall require all
32 districts receiving general apportionment funding for alternative
33 learning experience (ALE) programs as defined in WAC 392-121-182 to
34 provide separate financial accounting of expenditures for the ALE
35 programs offered in district or with a provider, including but not
36 limited to private companies and multidistrict cooperatives, as well
37 as accurate, monthly headcount and FTE enrollment claimed for basic

1 education, including separate counts of resident and nonresident
2 students.

3 (11) DROPOUT REENGAGEMENT PROGRAM

4 The superintendent shall adopt rules to require students claimed
5 for general apportionment funding based on enrollment in dropout
6 reengagement programs authorized under RCW 28A.175.100 through
7 28A.175.115 to meet requirements for at least weekly minimum
8 instructional contact, academic counseling, career counseling, or
9 case management contact. Districts must also provide separate
10 financial accounting of expenditures for the programs offered by the
11 district or under contract with a provider, as well as accurate
12 monthly headcount and full-time equivalent enrollment claimed for
13 basic education, including separate enrollment counts of resident and
14 nonresident students.

15 (12) ALL DAY KINDERGARTEN PROGRAMS

16 Funding in this section is sufficient to fund all day
17 kindergarten programs in all schools in the 2017-18 school year and
18 2018-19 school year, pursuant to RCW 28A.150.220 and 28A.150.315.

19 (13) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND
20 NECESSARY PLANTS

21 For small school districts and remote and necessary school plants
22 within any district which have been judged to be remote and necessary
23 by the superintendent of public instruction, additional staff units
24 are provided to ensure a minimum level of staffing support.
25 Additional administrative and certificated instructional staff units
26 provided to districts in this subsection shall be reduced by the
27 general education staff units, excluding career and technical
28 education and skills center enhancement units, otherwise provided in
29 subsections (2) through (5) of this section on a per district basis.

30 (a) For districts enrolling not more than twenty-five average
31 annual full-time equivalent students in grades K-8, and for small
32 school plants within any school district which have been judged to be
33 remote and necessary by the superintendent of public instruction and
34 enroll not more than twenty-five average annual full-time equivalent
35 students in grades K-8:

36 (i) For those enrolling no students in grades 7 and 8, 1.76
37 certificated instructional staff units and 0.24 certificated
38 administrative staff units for enrollment of not more than five

1 students, plus one-twentieth of a certificated instructional staff
2 unit for each additional student enrolled; and

3 (ii) For those enrolling students in grades 7 or 8, 1.68
4 certificated instructional staff units and 0.32 certificated
5 administrative staff units for enrollment of not more than five
6 students, plus one-tenth of a certificated instructional staff unit
7 for each additional student enrolled;

8 (b) For specified enrollments in districts enrolling more than
9 twenty-five but not more than one hundred average annual full-time
10 equivalent students in grades K-8, and for small school plants within
11 any school district which enroll more than twenty-five average annual
12 full-time equivalent students in grades K-8 and have been judged to
13 be remote and necessary by the superintendent of public instruction:

14 (i) For enrollment of up to sixty annual average full-time
15 equivalent students in grades K-6, 2.76 certificated instructional
16 staff units and 0.24 certificated administrative staff units; and

17 (ii) For enrollment of up to twenty annual average full-time
18 equivalent students in grades 7 and 8, 0.92 certificated
19 instructional staff units and 0.08 certificated administrative staff
20 units;

21 (c) For districts operating no more than two high schools with
22 enrollments of less than three hundred average annual full-time
23 equivalent students, for enrollment in grades 9-12 in each such
24 school, other than alternative schools, except as noted in this
25 subsection:

26 (i) For remote and necessary schools enrolling students in any
27 grades 9-12 but no more than twenty-five average annual full-time
28 equivalent students in grades K-12, four and one-half certificated
29 instructional staff units and one-quarter of a certificated
30 administrative staff unit;

31 (ii) For all other small high schools under this subsection, nine
32 certificated instructional staff units and one-half of a certificated
33 administrative staff unit for the first sixty average annual full-
34 time equivalent students, and additional staff units based on a ratio
35 of 0.8732 certificated instructional staff units and 0.1268
36 certificated administrative staff units per each additional forty-
37 three and one-half average annual full-time equivalent students;

38 (iii) Districts receiving staff units under this subsection shall
39 add students enrolled in a district alternative high school and any
40 grades nine through twelve alternative learning experience programs

1 with the small high school enrollment for calculations under this
2 subsection;

3 (d) For each nonhigh school district having an enrollment of more
4 than seventy annual average full-time equivalent students and less
5 than one hundred eighty students, operating a grades K-8 program or a
6 grades 1-8 program, an additional one-half of a certificated
7 instructional staff unit;

8 (e) For each nonhigh school district having an enrollment of more
9 than fifty annual average full-time equivalent students and less than
10 one hundred eighty students, operating a grades K-6 program or a
11 grades 1-6 program, an additional one-half of a certificated
12 instructional staff unit;

13 (f)(i) For enrollments generating certificated staff unit
14 allocations under (a) through (e) of this subsection, one classified
15 staff unit for each 2.94 certificated staff units allocated under
16 such subsections;

17 (ii) For each nonhigh school district with an enrollment of more
18 than fifty annual average full-time equivalent students and less than
19 one hundred eighty students, an additional one-half of a classified
20 staff unit; and

21 (g) School districts receiving additional staff units to support
22 small student enrollments and remote and necessary plants under this
23 subsection (~~((12))~~) (13) shall generate additional MSOC allocations
24 consistent with the nonemployee related costs (NERC) allocation
25 formula in place for the 2010-11 school year as provided section 502,
26 chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget),
27 adjusted annually for inflation.

28 (14) Any school district board of directors may petition the
29 superintendent of public instruction by submission of a resolution
30 adopted in a public meeting to reduce or delay any portion of its
31 basic education allocation for any school year. The superintendent of
32 public instruction shall approve such reduction or delay if it does
33 not impair the district's financial condition. Any delay shall not be
34 for more than two school years. Any reduction or delay shall have no
35 impact on levy authority pursuant to RCW 84.52.0531 and local effort
36 assistance pursuant to chapter 28A.500 RCW.

37 (15) The superintendent may distribute funding for the following
38 programs outside the basic education formula during fiscal years 2018
39 and 2019 as follows:

1 (a) \$638,000 of the general fund—state appropriation for fiscal
2 year 2018 and (~~(\$648,000)~~) \$650,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for fire
4 protection for school districts located in a fire protection district
5 as now or hereafter established pursuant to chapter 52.04 RCW.

6 (b) \$436,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$436,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for programs providing skills
9 training for secondary students who are enrolled in extended day
10 school-to-work programs, as approved by the superintendent of public
11 instruction. The funds shall be allocated at a rate not to exceed
12 \$500 per full-time equivalent student enrolled in those programs.

13 (16) \$225,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$229,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for school district emergencies
16 as certified by the superintendent of public instruction. Funding
17 provided must be conditioned upon the written commitment and plan of
18 the school district board of directors to repay the grant with any
19 insurance payments or other judgments that may be awarded, if
20 applicable. At the close of the fiscal year the superintendent of
21 public instruction shall report to the office of financial management
22 and the appropriate fiscal committees of the legislature on the
23 allocations provided to districts and the nature of the emergency.

24 (17) Funding in this section is sufficient to fund a maximum of
25 1.6 FTE enrollment for skills center students pursuant to chapter
26 463, Laws of 2007.

27 (18) Students participating in running start programs may be
28 funded up to a combined maximum enrollment of 1.2 FTE including
29 school district and institution of higher education enrollment
30 consistent with the running start course requirements provided in
31 chapter 202, Laws of 2015 (dual credit education opportunities). In
32 calculating the combined 1.2 FTE, the office of the superintendent of
33 public instruction may average the participating student's September
34 through June enrollment to account for differences in the start and
35 end dates for courses provided by the high school and higher
36 education institution. Additionally, the office of the superintendent
37 of public instruction, in consultation with the state board for
38 community and technical colleges, the student achievement council,
39 and the education data center, shall annually track and report to the

1 fiscal committees of the legislature on the combined FTE experience
2 of students participating in the running start program, including
3 course load analyses at both the high school and community and
4 technical college system.

5 (19) If two or more school districts consolidate and each
6 district was receiving additional basic education formula staff units
7 pursuant to subsection (12) of this section, the following apply:

8 (a) For three school years following consolidation, the number of
9 basic education formula staff units shall not be less than the number
10 of basic education formula staff units received by the districts in
11 the school year prior to the consolidation; and

12 (b) For the fourth through eighth school years following
13 consolidation, the difference between the basic education formula
14 staff units received by the districts for the school year prior to
15 consolidation and the basic education formula staff units after
16 consolidation pursuant to subsection (~~((12))~~) (13) of this section
17 shall be reduced in increments of twenty percent per year.

18 (20)(a) Indirect cost charges by a school district to approved
19 career and technical education middle and secondary programs shall
20 not exceed (~~((5-percent))~~) the lesser of five percent or the cap
21 established in federal law of the combined basic education and career
22 and technical education program enhancement allocations of state
23 funds. Middle and secondary career and technical education programs
24 are considered separate programs for funding and financial reporting
25 purposes under this section.

26 (b) Career and technical education program full-time equivalent
27 enrollment shall be reported on the same monthly basis as the
28 enrollment for students eligible for basic support, and payments
29 shall be adjusted for reported career and technical education program
30 enrollments on the same monthly basis as those adjustments for
31 enrollment for students eligible for basic support.

32 (21) Funding in this section is sufficient to provide full
33 general apportionment payments to school districts eligible for
34 federal forest revenues as provided in RCW 28A.520.020. For the
35 2017-2019 biennium, general apportionment payments are not reduced
36 for school districts receiving federal forest revenues.

37 **Sec. 503.** 2017 3rd sp.s. c 1 s 503 (uncodified) is amended to
38 read as follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—BASIC EDUCATION EMPLOYEE**
2 **COMPENSATION**

3 (1) The following calculations determine the salaries used in the
4 state allocations for certificated instructional, certificated
5 administrative, and classified staff units as provided in House Bill
6 No. 2242 (fully funding the program of basic education), RCW
7 28A.150.260, and under section 502 of this act:

8 (a) For the 2017-18 school year, salary allocations for
9 certificated instructional staff units are determined for each
10 district by multiplying the district's certificated instructional
11 total base salary shown on LEAP Document 2 by the district's average
12 staff mix factor for certificated instructional staff in that school
13 year, computed using LEAP document 1.

14 (b) For the 2017-18 school year, salary allocations for
15 certificated administrative staff units and classified staff units
16 for each district are determined based on the district's certificated
17 administrative and classified salary allocation amounts shown on LEAP
18 Document 2.

19 (c) For the 2018-19 school year salary allocations for
20 certificated instructional staff, certificated administrative staff,
21 and classified staff units are determined for each school district by
22 multiplying the statewide minimum salary allocation for each staff
23 type by the school district's regionalization factor shown in LEAP
24 Document 3.

25 Statewide Minimum Salary Allocation

26 For School Year 2018-19

27	Certificated Instructional Staff	((59,333.55))
28		<u>\$65,216.05</u>
29	Certificated Administrative Staff	((79,127.50))
30		<u>\$96,805.00</u>
31	Classified Staff	((39,975.50))
32		<u>\$46,784.33</u>

33 (2) For the purposes of this section:

34 (a) "LEAP Document 1" means the staff mix factors for
35 certificated instructional staff according to education and years of
36 experience, as developed by the legislative evaluation and
37 accountability program committee on June 22, 2017, at 1:14 hours; and

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

(c) "LEAP Document 3" means the school district regionalization factors for certificated instructional, certificated administrative, and classified staff, as developed by the legislative evaluation and accountability program committee on ~~((June 22, 2017, at 1:14 hours))~~ February 20, 2018, at 8:24 hours.

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

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

**Table Of Total Base Salaries For Certificated Instructional Staff
For School Year 2017-18**

*** Education Experience ***

Years	MA+90								
of	OR								
Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	Ph.D.
0	36,521	37,507	38,529	39,554	42,840	44,957	43,785	47,072	49,191
1	37,013	38,013	39,048	40,117	43,438	45,543	44,272	47,593	49,697
2	37,481	38,491	39,537	40,688	44,000	46,127	44,762	48,073	50,201
3	37,964	38,983	40,040	41,229	44,534	46,712	45,227	48,529	50,709
4	38,437	39,501	40,565	41,794	45,119	47,313	45,714	49,038	51,234
5	38,926	39,995	41,069	42,367	45,679	47,918	46,209	49,522	51,760
6	39,428	40,474	41,585	42,948	46,244	48,494	46,716	50,013	52,262
7	40,312	41,373	42,498	43,935	47,280	49,593	47,666	51,010	53,324
8	41,604	42,724	43,876	45,431	48,822	51,219	49,161	52,552	54,949
9		44,122	45,332	46,943	50,413	52,892	50,672	54,143	56,623

1	10	46,805	48,533	52,049	54,611	52,263	55,780	58,340
2	11		50,169	53,761	56,375	53,899	57,492	60,104
3	12		51,753	55,520	58,211	55,600	59,250	61,942
4	13			57,322	60,093	57,360	61,052	63,823
5	14			59,132	62,046	59,172	62,981	65,776
6	15			60,671	63,660	60,710	64,618	67,486
7	16 or			61,884	64,932	61,924	65,910	68,836
8	more							

9 (b) As used in this subsection, the column headings "BA+(N)"
10 refer to the number of credits earned since receiving the
11 baccalaureate degree.

12 (c) For credits earned after the baccalaureate degree but before
13 the masters degree, any credits in excess of forty-five credits may
14 be counted after the masters degree. Thus, as used in this
15 subsection, the column headings "MA+(N)" refer to the total of:

- 16 (i) Credits earned since receiving the masters degree; and
- 17 (ii) Any credits in excess of forty-five credits that were earned
18 after the baccalaureate degree but before the masters degree.

19 (5) For the purposes of this section:

- 20 (a) "BA" means a baccalaureate degree.
- 21 (b) "MA" means a masters degree.
- 22 (c) "PHD" means a doctorate degree.

23 (d) "Years of service" shall be calculated under the same rules
24 adopted by the superintendent of public instruction.

25 (e) "Credits" means college quarter hour credits and equivalent
26 in-service credits computed in accordance with RCW 28A.415.020 and
27 28A.415.023.

28 (6) No more than ninety college quarter-hour credits received by
29 any employee after the baccalaureate degree may be used to determine
30 compensation allocations under the state salary allocation schedule
31 and LEAP documents referenced in this part V, or any replacement
32 schedules and documents, unless:

- 33 (a) The employee has a masters degree; or
- 34 (b) The credits were used in generating state salary allocations
35 before January 1, 1992.

36 (7) The salary allocations established in this section are for
37 allocation purposes only except as provided in this subsection, and

1 do not entitle an individual staff position to a particular paid
2 salary except as provided in RCW 28A.400.200, as amended by House
3 Bill No. 2242 (fully funding the program of basic education).

4 (8) For school year 2018-19, the salary allocations for each
5 district shall be the greater of:

6 (a) The derived school year 2018-19 salary allocations in
7 subsection (1) of this section; or

8 (b) The derived salary allocations for school year 2017-18
9 increased by 2.3 percent.

10 **Sec. 504.** 2017 3rd sp.s. c 1 s 504 (uncodified) is amended to
11 read as follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL EMPLOYEE**
13 **COMPENSATION ADJUSTMENTS**

14	General Fund—State Appropriation (FY 2018).	((\$216,086,000))
15		<u>\$206,149,000</u>
16	General Fund—State Appropriation (FY 2019).	((\$1,360,536,000))
17		<u>\$1,911,498,000</u>
18	<u>Basic Education Account—State Appropriation.</u>	<u>\$85,358,000</u>
19	TOTAL APPROPRIATION.	((\$1,576,622,000))
20		<u>\$2,203,005,000</u>

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

23 (1) The salary increases provided in this section are inclusive
24 of and above the annual cost-of-living adjustments pursuant to RCW
25 28A.400.205.

26 ~~(2) ((In addition to salary allocations specified in this~~
27 ~~subsection (1) funding in this subsection includes one day of~~
28 ~~professional learning for each of the funded full-time equivalent~~
29 ~~certificated instructional staff units in school year 2018-19.~~
30 ~~Nothing in this section entitles an individual certificated~~
31 ~~instructional staff to any particular number of professional learning~~
32 ~~days.~~

33 ~~(3))~~(a) The appropriations in this section include associated
34 incremental fringe benefit allocations at 22.85 percent for the
35 2017-18 school year and 22.85 percent for the 2018-19 school year for
36 certificated instructional and certificated administrative staff and
37 21.10 percent for the 2017-18 school year and 21.10 percent for the
38 2018-19 school year for classified staff.

1 (b) The appropriations in this section include the increased or
2 decreased portion of salaries and incremental fringe benefits for all
3 relevant state-funded school programs in part V of this act. Changes
4 for general apportionment (basic education) are based on the salary
5 allocations and methodology in sections 502 and 503 of this act.
6 Changes for special education result from changes in each district's
7 basic education allocation per student. Changes for educational
8 service districts and institutional education programs are determined
9 by the superintendent of public instruction using the methodology for
10 general apportionment salaries and benefits in sections 502 and 503
11 of this act.

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

14 ~~((4))~~ (3) The maintenance rate for insurance benefit
15 allocations is \$780.00 per month for the 2017-18 and 2018-19 school
16 years. The appropriations in this section reflect the incremental
17 change in cost of allocating rates of \$820.00 per month for the
18 2017-18 school year and ~~((840.00))~~ \$843.97 per month for the 2018-19
19 school year. When bargaining for health benefits funding for the
20 school employees' benefits board during the 2017-2019 fiscal
21 biennium, any proposal agreed upon must assume the imposition of a
22 twenty-five dollar per month surcharge payment from members who use
23 tobacco products and a surcharge payment of not less than fifty
24 dollars per month from members who cover a spouse or domestic partner
25 where the spouse or domestic partner has chosen not to enroll in
26 another employer-based group health insurance that has benefits and
27 premiums with an actuarial value of not less than ninety-five percent
28 of the actuarial value of the public employees' benefits board plan
29 with the largest enrollment. The surcharge payments shall be
30 collected in addition to the member premium payment.

31 ~~((5))~~ (4) The rates specified in this section are subject to
32 revision each year by the legislature.

33 (5) \$85,358,000 of the basic education account appropriation is
34 provided solely for allocation to school districts to increase
35 compensation related to increasing school employee salary
36 allocations, changing the special education excess cost multiplier as
37 provided in RCW 28A.150.390(2)(b), and regionalization and experience
38 factors as provided in RCW 28A.150.412(2)(b), each as amended by
39 Engrossed Second Substitute Senate Bill No. 6362 (basic education) as
40 amended by [H-. . ./18].

1 **Sec. 505.** 2017 3rd sp.s. c 1 s 505 (uncodified) is amended to
2 read as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION**

4	General Fund—State Appropriation (FY 2018)	. . . .	((\$502,599,000))
5			<u>\$518,512,000</u>
6	General Fund—State Appropriation (FY 2019)	. . . .	((\$497,940,000))
7			<u>\$496,524,000</u>
8	TOTAL APPROPRIATION.	. . . . .	((\$1,000,539,000))
9			<u>\$1,015,036,000</u>

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

12 (1) Each general fund fiscal year appropriation includes such
13 funds as are necessary to complete the school year ending in the
14 fiscal year and for prior fiscal year adjustments.

15 (2)(a) For the 2017-18 and 2018-19 school years, the
16 superintendent shall allocate funding to school district programs for
17 the transportation of eligible students as provided in RCW
18 28A.160.192. Funding in this section constitutes full implementation
19 of RCW 28A.160.192, which enhancement is within the program of basic
20 education. Students are considered eligible only if meeting the
21 definitions provided in RCW 28A.160.160.

22 (b) From July 1, 2017, to August 31, 2017, the superintendent
23 shall allocate funding to school districts programs for the
24 transportation of students as provided in section 505, chapter 4,
25 Laws of 2015 3rd sp. sess., as amended.

26 (3) Within amounts appropriated in this section, up to
27 \$10,000,000 of the general fund—state appropriation for fiscal year
28 2018 and up to \$10,000,000 of the general fund—state appropriation
29 for fiscal year 2019 are for a transportation alternate funding grant
30 program based on the alternate funding process established in RCW
31 28A.160.191. The superintendent of public instruction must include a
32 review of school district efficiency rating, key performance
33 indicators and local school district characteristics such as unique
34 geographic constraints in the grant award process.

35 (4) A maximum of \$913,000 of this fiscal year 2018 appropriation
36 and a maximum of ((~~\$937,000~~)) \$939,000 of the fiscal year 2019
37 appropriation may be expended for regional transportation
38 coordinators and related activities. The transportation coordinators
39 shall ensure that data submitted by school districts for state

1 transportation funding shall, to the greatest extent practical,
2 reflect the actual transportation activity of each district.

3 (5) The office of the superintendent of public instruction shall
4 provide reimbursement funding to a school district for school bus
5 purchases only after the superintendent of public instruction
6 determines that the school bus was purchased from the list
7 established pursuant to RCW 28A.160.195(2) or a comparable
8 competitive bid process based on the lowest price quote based on
9 similar bus categories to those used to establish the list pursuant
10 to RCW 28A.160.195.

11 (6) The superintendent of public instruction shall base
12 depreciation payments for school district buses on the presales tax
13 five-year average of lowest bids in the appropriate category of bus.
14 In the final year on the depreciation schedule, the depreciation
15 payment shall be based on the lowest bid in the appropriate bus
16 category for that school year.

17 (7) Funding levels in this section reflect waivers granted by the
18 state board of education for four-day school weeks as allowed under
19 RCW 28A.305.141.

20 (8) The office of the superintendent of public instruction shall
21 annually disburse payments for bus depreciation in August.

22 **Sec. 506.** 2017 3rd sp.s. c 1 s 506 (uncodified) is amended to
23 read as follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL FOOD SERVICE**
25 **PROGRAMS**

26	General Fund—State Appropriation (FY 2018)	\$7,111,000
27	General Fund—State Appropriation (FY 2019)	(\$7,111,000)
28		<u>\$7,173,000</u>
29	General Fund—Federal Appropriation	\$537,178,000
30	TOTAL APPROPRIATION.	(\$551,400,000)
31		<u>\$551,462,000</u>

32 The appropriations in this section are subject to the following
33 conditions and limitations: \$7,111,000 of the general fund—state
34 appropriation for fiscal year 2018 and \$7,111,000 of the general fund
35 —state appropriation for fiscal year 2019 are provided solely for
36 state matching money for federal child nutrition programs, and may
37 support the meals for kids program through the following allowable
38 uses:

1 (1) Elimination of breakfast copays for eligible public school
2 students and lunch copays for eligible public school students in
3 grades prekindergarten through third grade who are eligible for
4 reduced-price lunch;

5 (2) Assistance to school districts and authorized public and
6 private nonprofit organizations for supporting summer food service
7 programs, and initiating new summer food service programs in low-
8 income areas;

9 (3) Reimbursements to school districts for school breakfasts
10 served to students eligible for free and reduced-price lunch,
11 pursuant to chapter 287, Laws of 2005; and

12 (4) Assistance to school districts in initiating and expanding
13 school breakfast programs.

14 The office of the superintendent of public instruction shall
15 report annually to the fiscal committees of the legislature on annual
16 expenditures in subsections (1), (2), and (3) of this section.

17 The superintendent of public instruction shall provide the
18 department of health with the following data, where available, for
19 all nutrition assistance programs that are funded by the United
20 States department of agriculture and administered by the office of
21 the superintendent of public instruction. The superintendent must
22 provide the report for the preceding federal fiscal year by February
23 1, 2018, and February 1, 2019. The report must provide:

24 (a) The number of people in Washington who are eligible for the
25 program;

26 (b) The number of people in Washington who participated in the
27 program;

28 (c) The average annual participation rate in the program;

29 (d) Participation rates by geographic distribution; and

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

31 **Sec. 507.** 2017 3rd sp.s. c 1 s 507 (uncodified) is amended to
32 read as follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SPECIAL EDUCATION**
34 **PROGRAMS**

35	General Fund—State Appropriation (FY 2018)	. . . .	((\$956,055,000))
36			<u>\$965,613,000</u>
37	General Fund—State Appropriation (FY 2019)	. . . .	((\$989,284,000))
38			<u>\$951,320,000</u>

1	General Fund—Federal Appropriation	((\$470,673,000))
2		<u>\$485,054,000</u>
3	Education Legacy Trust Account—State Appropriation . . .	\$54,694,000
4	<u>Basic Education Account Appropriation.</u>	<u>\$19,842,000</u>
5	<u>Pension Funding Stabilization Account—State</u>	
6	<u>Appropriation.</u>	<u>\$20,000</u>
7	TOTAL APPROPRIATION.	((\$2,470,706,000))
8		<u>\$2,476,543,000</u>

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

11 (1)(a) Funding for special education programs is provided on an
12 excess cost basis, pursuant to RCW 28A.150.390. School districts
13 shall ensure that special education students as a class receive their
14 full share of the general apportionment allocation accruing through
15 sections 502 and 504 of this act. To the extent a school district
16 cannot provide an appropriate education for special education
17 students under chapter 28A.155 RCW through the general apportionment
18 allocation, it shall provide services through the special education
19 excess cost allocation funded in this section.

20 (b) Funding provided within this section is sufficient for
21 districts to provide school principals and lead special education
22 teachers annual professional development on the best-practices for
23 special education instruction and strategies for implementation.
24 Districts shall annually provide a summary of professional
25 development activities to the office of the superintendent of public
26 instruction.

27 (2)(a) The superintendent of public instruction shall ensure
28 that:

29 (i) Special education students are basic education students
30 first;

31 (ii) As a class, special education students are entitled to the
32 full basic education allocation; and

33 (iii) Special education students are basic education students for
34 the entire school day.

35 (b) The superintendent of public instruction shall continue to
36 implement the full cost method of excess cost accounting, as designed
37 by the committee and recommended by the superintendent, pursuant to
38 section 501(1)(k), chapter 372, Laws of 2006.

1 (3) Each fiscal year appropriation includes such funds as are
2 necessary to complete the school year ending in the fiscal year and
3 for prior fiscal year adjustments.

4 (4)(a) For the 2017-18 and 2018-19 school years, the
5 superintendent shall allocate funding to school district programs for
6 special education students as provided in RCW 28A.150.390 as amended
7 by Engrossed Second Substitute Senate Bill No. 6362 (basic education)
8 as amended by [H-. . ./18], except that the calculation of the base
9 allocation also includes allocations provided under section 502 (2)
10 and (4) of this act, which enhancement is within the program of basic
11 education.

12 (b) From July 1, 2017, to August 31, 2017, the superintendent
13 shall allocate funding to school district programs for special
14 education students as provided in section 507, chapter 4, Laws of
15 2015 3rd sp. sess., as amended.

16 (5) The following applies throughout this section: The
17 definitions for enrollment and enrollment percent are as specified in
18 RCW 28A.150.390(3). Each district's general fund—state funded special
19 education enrollment shall be the lesser of the district's actual
20 enrollment percent or 13.5 percent.

21 (6) At the request of any interdistrict cooperative of at least
22 15 districts in which all excess cost services for special education
23 students of the districts are provided by the cooperative, the
24 maximum enrollment percent shall be calculated in accordance with RCW
25 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate
26 rather than individual district units. For purposes of this
27 subsection, the average basic education allocation per full-time
28 equivalent student shall be calculated in the aggregate rather than
29 individual district units.

30 (7) \$31,087,000 of the general fund—state appropriation for
31 fiscal year 2018, (~~(\$31,087,000)~~) \$35,952,000 of the general fund—
32 state appropriation for fiscal year 2019, and (~~(\$31,024,000)~~)
33 \$29,574,000 of the general fund—federal appropriation are provided
34 solely for safety net awards for districts with demonstrated needs
35 for special education funding beyond the amounts provided in
36 subsection (4) of this section. If the federal safety net awards
37 based on the federal eligibility threshold exceed the federal
38 appropriation in this subsection (7) in any fiscal year, the
39 superintendent shall expend all available federal discretionary funds

1 necessary to meet this need. At the conclusion of each school year,
2 the superintendent shall recover safety net funds that were
3 distributed prospectively but for which districts were not
4 subsequently eligible.

5 (a) For the 2017-18 and 2018-19 school years, safety net funds
6 shall be awarded by the state safety net oversight committee as
7 provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

8 (b) The office of the superintendent of public instruction shall
9 make award determinations for state safety net funding in August of
10 each school year, except that the superintendent of public
11 instruction shall make award determinations for state safety net
12 funding in July of each school year for the Washington state school
13 for the blind and for the center for childhood deafness and hearing
14 loss. Determinations on school district eligibility for state safety
15 net awards shall be based on analysis of actual expenditure data from
16 the current school year.

17 (8) A maximum of \$931,000 may be expended from the general fund—
18 state appropriations to fund 5.43 full-time equivalent teachers and
19 2.1 full-time equivalent aides at children's orthopedic hospital and
20 medical center. This amount is in lieu of money provided through the
21 home and hospital allocation and the special education program.

22 (9) The superintendent shall maintain the percentage of federal
23 flow-through to school districts at 85 percent. In addition to other
24 purposes, school districts may use increased federal funds for high-
25 cost students, for purchasing regional special education services
26 from educational service districts, and for staff development
27 activities particularly relating to inclusion issues.

28 (10) A school district may carry over from one year to the next
29 year up to 10 percent of the general fund—state funds allocated under
30 this program; however, carryover funds shall be expended in the
31 special education program.

32 (11) \$256,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$256,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for two additional full-time
35 equivalent staff to support the work of the safety net committee and
36 to provide training and support to districts applying for safety net
37 awards.

38 (12) \$50,000 of the general fund—state appropriation for fiscal
39 year 2018, \$50,000 of the general fund—state appropriation for fiscal

1 year 2019, and \$100,000 of the general fund—federal appropriation are
2 provided solely for a special education family liaison position
3 within the office of the superintendent of public instruction.

4 (13) \$19,842,000 of the basic education account appropriation is
5 provided solely for allocation to school districts to increase the
6 special education excess cost multiplier as provided in RCW
7 28A.150.390(2)(b), as amended by Engrossed Second Substitute Senate
8 Bill No. 6362 (basic education) as amended by [H-. . ./18].

9 **Sec. 508.** 2017 3rd sp.s. c 1 s 508 (uncodified) is amended to
10 read as follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE**
12 **DISTRICTS**

13	General Fund—State Appropriation (FY 2018)	. . . . .	((\$8,534,000))
14			<u>\$8,549,000</u>
15	General Fund—State Appropriation (FY 2019)	. . . . .	((\$8,558,000))
16			<u>\$9,460,000</u>
17	TOTAL APPROPRIATION.	. . . . .	((\$17,092,000))
18			<u>\$18,009,000</u>

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

21 (1) The educational service districts shall continue to furnish
22 financial services required by the superintendent of public
23 instruction and RCW 28A.310.190 (3) and (4).

24 (2) Funding within this section is provided for regional
25 professional development related to mathematics and science
26 curriculum and instructional strategies aligned with common core
27 state standards and next generation science standards. Funding shall
28 be distributed among the educational service districts in the same
29 proportion as distributions in the 2007-2009 biennium. Each
30 educational service district shall use this funding solely for salary
31 and benefits for a certificated instructional staff with expertise in
32 the appropriate subject matter and in professional development
33 delivery, and for travel, materials, and other expenditures related
34 to providing regional professional development support.

35 (3) The educational service districts, at the request of the
36 state board of education pursuant to RCW 28A.310.010 and 28A.305.130,
37 may receive and screen applications for school accreditation, conduct
38 school accreditation site visits pursuant to state board of education

1 rules, and submit to the state board of education post-site visit
2 recommendations for school accreditation. The educational service
3 districts may assess a cooperative service fee to recover actual plus
4 reasonable indirect costs for the purposes of this subsection.

5 **Sec. 509.** 2017 3rd sp.s. c 1 s 509 (uncodified) is amended to
6 read as follows:

7 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT**
8 **ASSISTANCE**

9	General Fund—State Appropriation (FY 2018)	. . . . .	((\$449,808,000))
10			<u>\$451,423,000</u>
11	General Fund—State Appropriation (FY 2019)	. . . . .	((\$454,876,000))
12			<u>\$425,973,000</u>
13	TOTAL APPROPRIATION.	. . . . .	((\$904,684,000))
14			<u>\$877,396,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations: For purposes of RCW 84.52.0531, the
17 increase per full-time equivalent student is 5.85 percent from the
18 2016-17 school year to the 2017-18 school year.

19 **Sec. 510.** 2017 3rd sp.s. c 1 s 510 (uncodified) is amended to
20 read as follows:

21 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL**
22 **EDUCATION PROGRAMS**

23	General Fund—State Appropriation (FY 2018)	. . . . .	((\$13,565,000))
24			<u>\$13,895,000</u>
25	General Fund—State Appropriation (FY 2019)	. . . . .	((\$13,689,000))
26			<u>\$14,087,000</u>
27	TOTAL APPROPRIATION.	. . . . .	((\$27,254,000))
28			<u>\$27,982,000</u>

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

31 (1) Each general fund—state fiscal year appropriation includes
32 such funds as are necessary to complete the school year ending in the
33 fiscal year and for prior fiscal year adjustments.

34 (2) State funding provided under this section is based on
35 salaries and other expenditures for a 220-day school year. The
36 superintendent of public instruction shall monitor school district

1 expenditure plans for institutional education programs to ensure that
2 districts plan for a full-time summer program.

3 (3) State funding for each institutional education program shall
4 be based on the institution's annual average full-time equivalent
5 student enrollment. Staffing ratios for each category of institution
6 shall remain the same as those funded in the 1995-97 biennium.

7 (4) The funded staffing ratios for education programs for
8 juveniles age 18 or less in department of corrections facilities
9 shall be the same as those provided in the 1997-99 biennium.

10 (5) \$701,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$701,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely to maintain at least one
13 certificated instructional staff and related support services at an
14 institution whenever the K-12 enrollment is not sufficient to support
15 one full-time equivalent certificated instructional staff to furnish
16 the educational program. The following types of institutions are
17 included: Residential programs under the department of social and
18 health services for developmentally disabled juveniles, programs for
19 juveniles under the department of corrections, programs for juveniles
20 under the juvenile rehabilitation administration, and programs for
21 juveniles operated by city and county jails.

22 (6) Ten percent of the funds allocated for each institution may
23 be carried over from one year to the next.

24 **Sec. 511.** 2017 3rd sp.s. c 1 s 511 (uncodified) is amended to
25 read as follows:

26 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PROGRAMS FOR HIGHLY**
27 **CAPABLE STUDENTS**

28	General Fund—State Appropriation (FY 2018)	. . . . .	((\$21,265,000))
29			<u>\$21,447,000</u>
30	General Fund—State Appropriation (FY 2019)	. . . . .	((\$24,306,000))
31			<u>\$22,996,000</u>
32	TOTAL APPROPRIATION.	. . . . .	((\$45,571,000))
33			<u>\$44,443,000</u>

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

36 (1) Each general fund fiscal year appropriation includes such
37 funds as are necessary to complete the school year ending in the
38 fiscal year and for prior fiscal year adjustments.

1 (2) For the 2017-18 and 2018-19 school years, the superintendent
2 shall allocate funding to school district programs for highly capable
3 students as provided in RCW 28A.150.260(10)(c) except that
4 allocations must be based on 5.0 percent of each school district's
5 full-time equivalent enrollment. In calculating the allocations, the
6 superintendent shall assume the following: (i) Additional instruction
7 of 2.1590 hours per week per funded highly capable program student;
8 (ii) fifteen highly capable program students per teacher; (iii) 36
9 instructional weeks per year; (iv) 900 instructional hours per
10 teacher; and (v) the compensation rates as provided in sections 503
11 and 504 of this act.

12 (b) From July 1, 2017, to August 31, 2017, the superintendent
13 shall allocate funding to school districts programs for highly
14 capable students as provided in section 511, chapter 4, Laws of 2015
15 3rd sp. sess., as amended.

16 (3) \$85,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$85,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for the centrum program at Fort
19 Worden state park.

20 **Sec. 512.** 2017 3rd sp.s. c 1 s 512 (uncodified) is amended to
21 read as follows:

22 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR MISCELLANEOUS—EVERY**
23 **STUDENT SUCCEEDS ACT**

24 General Fund—Federal Appropriation ((~~\$4,802,000~~))
25 \$5,802,000

26 **Sec. 513.** 2017 3rd sp.s. c 1 s 513 (uncodified) is amended to
27 read as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—EDUCATION REFORM**
29 **PROGRAMS**

30 General Fund—State Appropriation (FY 2018) ((~~\$134,741,000~~))
31 \$125,067,000

32 General Fund—State Appropriation (FY 2019) ((~~\$155,464,000~~))
33 \$147,957,000

34 General Fund—Federal Appropriation ((~~\$93,320,000~~))
35 \$94,820,000

36 General Fund—Private/Local Appropriation \$1,451,000

37 Education Legacy Trust Account—State Appropriation \$1,619,000

1 Pension Funding Stabilization Account—State

2 Appropriation. \$765,000
3 TOTAL APPROPRIATION. ((~~\$386,595,000~~))
4 \$371,679,000

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

7 (1) ((~~\$30,421,000~~)) \$21,104,000 of the general fund—state
8 appropriation for fiscal year 2018, ((~~\$26,975,000~~)) \$21,104,000 of
9 the general fund—state appropriation for fiscal year 2019, \$1,350,000
10 of the education legacy trust account—state appropriation, and
11 \$15,868,000 of the general fund—federal appropriation are provided
12 solely for development and implementation of the Washington state
13 assessment system.

14 (2) \$356,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$356,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for the Washington state
17 leadership and assistance for science education reform (LASER)
18 regional partnership activities ((~~coordinated at the Pacific science~~
19 ~~center~~)), including instructional material purchases, teacher and
20 principal professional development, and school and community
21 engagement events.

22 (3) \$3,935,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$3,935,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for implementation of a new
25 performance-based evaluation for certificated educators and other
26 activities as provided in chapter 235, Laws of 2010 (education
27 reform) and chapter 35, Laws of 2012 (certificated employee
28 evaluations).

29 (4) ((~~\$62,672,000~~)) \$62,674,000 of the general fund—state
30 appropriation for fiscal year 2018 and ((~~\$82,665,000~~)) \$82,670,000 of
31 the general fund—state appropriation for fiscal year 2019 are
32 provided solely for the following bonuses for teachers who hold
33 valid, unexpired certification from the national board for
34 professional teaching standards and who are teaching in a Washington
35 public school, subject to the following conditions and limitations:

36 (a) For national board certified teachers, a bonus of \$5,296 per
37 teacher in the 2017-18 school year and a bonus of \$5,381 per teacher
38 in the 2018-19 school year;

1 (b) An additional \$5,000 annual bonus shall be paid to national
2 board certified teachers who teach in either: (A) High schools where
3 at least 50 percent of student headcount enrollment is eligible for
4 federal free or reduced-price lunch, (B) middle schools where at
5 least 60 percent of student headcount enrollment is eligible for
6 federal free or reduced-price lunch, or (C) elementary schools where
7 at least 70 percent of student headcount enrollment is eligible for
8 federal free or reduced-price lunch;

9 (c) The superintendent of public instruction shall adopt rules to
10 ensure that national board certified teachers meet the qualifications
11 for bonuses under (b) of this subsection for less than one full
12 school year receive bonuses in a prorated manner. All bonuses in this
13 subsection will be paid in July of each school year. Bonuses in this
14 subsection shall be reduced by a factor of 40 percent for first year
15 NBPTS certified teachers, to reflect the portion of the instructional
16 school year they are certified; and

17 (d) During the 2017-18 and 2018-19 school years, and within
18 available funds, certificated instructional staff who have met the
19 eligibility requirements and have applied for certification from the
20 national board for professional teaching standards may receive a
21 conditional loan of two thousand dollars or the amount set by the
22 office of the superintendent of public instruction to contribute
23 toward the current assessment fee, not including the initial up-front
24 candidacy payment. The fee shall be an advance on the first annual
25 bonus under RCW 28A.405.415. The conditional loan is provided in
26 addition to compensation received under a district's salary
27 allocation and shall not be included in calculations of a district's
28 average salary and associated salary limitation under RCW
29 28A.400.200. Recipients who fail to receive certification after three
30 years are required to repay the conditional loan. The office of the
31 superintendent of public instruction shall adopt rules to define the
32 terms for initial grant of the assessment fee and repayment,
33 including applicable fees. To the extent necessary, the
34 superintendent may use revenues from the repayment of conditional
35 loan scholarships to ensure payment of all national board bonus
36 payments required by this section in each school year.

37 (5) \$477,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$477,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for the leadership internship
40 program for superintendents, principals, and program administrators.

1 (6) \$950,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$950,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for the Washington reading
4 corps. The superintendent shall allocate reading corps members to
5 schools identified for comprehensive or targeted support and school
6 districts that are implementing comprehensive, proven, research-based
7 reading programs. Two or more schools may combine their Washington
8 reading corps programs.

9 (7) \$810,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$810,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for the development of a
12 leadership academy for school principals and administrators. The
13 superintendent of public instruction shall contract with an
14 independent organization to operate a state-of-the-art education
15 leadership academy that will be accessible throughout the state.
16 Semiannually the independent organization shall report on amounts
17 committed by foundations and others to support the development and
18 implementation of this program. Leadership academy partners shall
19 include the state level organizations for school administrators and
20 principals, the superintendent of public instruction, the
21 professional educator standards board, and others as the independent
22 organization shall identify.

23 (8) \$3,000,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$3,000,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for a statewide information
26 technology (IT) academy program. This public-private partnership will
27 provide educational software, as well as IT certification and
28 software training opportunities for students and staff in public
29 schools.

30 (9) \$1,802,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$1,802,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for secondary career and
33 technical education grants pursuant to chapter 170, Laws of 2008,
34 including parts of programs receiving grants that serve students in
35 grades four through six. If equally matched by private donations,
36 \$825,000 of the 2018 appropriation and \$825,000 of the 2019
37 appropriation shall be used to support FIRST robotics programs in
38 grades four through twelve. Of the amounts in this subsection,
39 \$100,000 of the fiscal year 2018 appropriation and \$100,000 of the

1 fiscal year 2019 appropriation are provided solely for the purpose of
2 statewide supervision activities for career and technical education
3 student leadership organizations.

4 (10) \$125,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$125,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for (a) staff at the office of
7 the superintendent of public instruction to coordinate and promote
8 efforts to develop integrated math, science, technology, and
9 engineering programs in schools and districts across the state; and
10 (b) grants of \$2,500 to provide twenty middle and high school
11 teachers each year with professional development training for
12 implementing integrated math, science, technology, and engineering
13 programs in their schools.

14 (11) \$135,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$135,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for science, technology,
17 engineering and mathematics lighthouse projects, consistent with
18 chapter 238, Laws of 2010.

19 (12) \$10,500,000 of the general fund—state appropriation for
20 fiscal year 2018 and \$10,500,000 of the general fund—state
21 appropriation for fiscal year 2019 are provided solely for a
22 beginning educator support program. The program shall prioritize
23 first year teachers in the mentoring program. School districts and/or
24 regional consortia may apply for grant funding. The program provided
25 by a district and/or regional consortia shall include: A paid
26 orientation; assignment of a qualified mentor; development of a
27 professional growth plan for each beginning teacher aligned with
28 professional certification; release time for mentors and new teachers
29 to work together; and teacher observation time with accomplished
30 peers. Funding may be used to provide statewide professional
31 development opportunities for mentors and beginning educators.

32 (13) \$250,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$250,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for advanced project lead the
35 way courses at ten high schools. To be eligible for funding in 2018,
36 a high school must have offered a foundational project lead the way
37 course during the 2016-17 school year. The 2018 funding must be used
38 for one-time start-up course costs for an advanced project lead the
39 way course, to be offered to students beginning in the 2017-18 school

1 year. To be eligible for funding in 2019, a high school must have
2 offered a foundational project lead the way course during the 2017-18
3 school year. The 2018 funding must be used for one-time start-up
4 course costs for an advanced project lead the way course, to be
5 offered to students beginning in the 2018-19 school year. The office
6 of the superintendent of public instruction and the education
7 research and data center at the office of financial management shall
8 track student participation and long-term outcome data.

9 (14) \$9,352,000 of the general fund—state appropriation for
10 fiscal year 2018 and \$14,352,000 of the general fund—state
11 appropriation for fiscal year 2019 are provided solely for
12 implementation of chapter 159, Laws of 2013. By January 15, 2018, the
13 superintendent of public instruction shall submit a plan to the
14 fiscal committees of the legislature outlining the additional school
15 accountability supports that will be implemented as a result of the
16 increased appropriation provided in fiscal year 2019. Of the amount
17 provided in this subsection, \$5,000,000 of the general fund—state
18 appropriation for fiscal year 2019 is provided solely for expenditure
19 contingent upon legislative approval of the superintendent's plan for
20 additional school accountability supports, and the superintendent may
21 not spend that amount until approval is received.

22 (15) \$450,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$450,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for annual start-up, expansion,
25 or maintenance of existing programs in aerospace and advanced
26 manufacturing programs. To be eligible for funding, the skills center
27 and high schools must agree to engage in developing local business
28 and industry partnerships for oversight and input regarding program
29 components. Program instructors must also agree to participate in
30 professional development leading to student employment, or
31 certification in aerospace or advanced manufacturing industries as
32 determined by the superintendent of public instruction. The office of
33 the superintendent of public instruction and the education research
34 and data center shall report annually student participation and long-
35 term outcome data.

36 (16) \$5,000,000 of the general fund—state appropriation for
37 fiscal year 2018 and \$4,000,000 of the general fund—state
38 appropriation for fiscal year 2019 are provided solely for the

1 provision of training for teachers in the performance-based teacher
2 principal evaluation program.

3 (17) (~~(\$100,000)~~) \$125,000 of the general fund—state
4 appropriation for fiscal year 2018 and (~~(\$100,000)~~) \$125,000 of the
5 general fund—state appropriation for fiscal year 2019 are provided
6 solely to promote the financial literacy of students. The effort will
7 be coordinated through the financial literacy public-private
8 partnership.

9 (18) \$2,194,000 of the general fund—state appropriation for
10 fiscal year 2018 and (~~(\$2,194,000)~~) \$909,000 of the general fund—
11 state appropriation for fiscal year 2019 are provided solely to
12 implement chapter 18, Laws of 2013 2nd sp. sess. (Engrossed
13 Substitute Senate Bill No. 5946) (strengthening student educational
14 outcomes).

15 (19) \$36,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$36,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for chapter 212, Laws of 2014
18 (Substitute Senate Bill No. 6074) (homeless student educational
19 outcomes).

20 (20) \$80,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$40,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for chapter 219, Laws of 2014
23 (Second Substitute Senate Bill No. 6163) (expanded learning).

24 (21) \$10,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$10,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for chapter 102, Laws of 2014
27 (Senate Bill No. 6424) (biliteracy seal).

28 (22) \$500,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$500,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for the office of the
31 superintendent of public instruction to contract with a nonprofit
32 organization to integrate the state learning standards in English
33 language arts, mathematics, and science with FieldSTEM outdoor field
34 studies and project-based and work-based learning opportunities
35 aligned with the environmental, natural resource, and agricultural
36 sectors.

37 (23) Within the amounts provided in this section, the
38 superintendent of public instruction shall obtain an existing student
39 assessment inventory tool that is free and openly licensed and

1 distribute the tool to every school district. Each school district
2 shall use the student assessment inventory tool to identify all
3 state-level and district-level assessments that are required of
4 students. The state-required assessments should include: Reading
5 proficiency assessments used for compliance with RCW 28A.320.202; the
6 required statewide assessments under chapter 28A.655 RCW in grades
7 three through eight and at the high school level in English language
8 arts, mathematics, and science, as well as the practice and training
9 tests used to prepare for them; and the high school end-of-course
10 exams in mathematics under RCW 28A.655.066. District-required
11 assessments should include: The second grade reading assessment used
12 to comply with RCW 28A.300.320; interim smarter balanced assessments,
13 if required; the measures of academic progress assessment, if
14 required; and other required interim, benchmark, or summative
15 standardized assessments, including assessments used in social
16 studies, the arts, health, and physical education in accordance with
17 RCW 28A.230.095, and for educational technology in accordance with
18 RCW 28A.655.075. The assessments identified should not include
19 assessments used to determine eligibility for any categorical program
20 including the transitional bilingual instruction program, learning
21 assistance program, highly capable program, special education
22 program, or any formative or diagnostic assessments used solely to
23 inform teacher instructional practices, other than those already
24 identified. By October 15th of each year, each district shall report
25 to the superintendent the amount of student time in the previous
26 school year that is spent taking each assessment identified. By
27 December 15th of each year, the superintendent shall summarize the
28 information reported by the school districts and report to the
29 education committees of the house of representatives and the senate.

30 (24) \$125,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$125,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for contracts with nonprofit
33 organizations that provide direct services to children exclusively
34 through one-to-one volunteer mentoring. The mentor, student, and
35 parent must each receive monthly coaching from professional staff in
36 the first year and coaching every two months in subsequent years.

37 **Sec. 514.** 2017 3rd sp.s. c 1 s 514 (uncodified) is amended to
38 read as follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL**
2 **BILINGUAL PROGRAMS**

3	General Fund—State Appropriation (FY 2018)	((\$147,948,000))
4		<u>\$151,022,000</u>
5	General Fund—State Appropriation (FY 2019)	((\$157,744,000))
6		<u>\$150,515,000</u>
7	General Fund—Federal Appropriation	((\$92,244,000))
8		<u>\$97,244,000</u>
9	<u>Pension Funding Stabilization Account—State Appropriation. . .</u>	<u>\$4,000</u>
10	TOTAL APPROPRIATION.	((\$397,936,000))
11		<u>\$398,785,000</u>

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

14 (1) Each general fund fiscal year appropriation includes such
15 funds as are necessary to complete the school year ending in the
16 fiscal year and for prior fiscal year adjustments.

17 (2)(a) For the 2017-18 and 2018-19 school years, the
18 superintendent shall allocate funding to school districts for
19 transitional bilingual programs under RCW 28A.180.010 through
20 28A.180.080, including programs for exited students, as provided in
21 RCW 28A.150.260(10)(b) and the provisions of this section. In
22 calculating the allocations, the superintendent shall assume the
23 following averages: (i) Additional instruction of 4.7780 hours per
24 week per transitional bilingual program student in grades
25 kindergarten through six and 6.7780 hours per week per transitional
26 bilingual program student in grades seven through twelve in school
27 years 2017-18 and 2018-19; (ii) additional instruction of 3.0000
28 hours per week in school years 2017-18 and 2018-19 for the head count
29 number of students who have exited the transitional bilingual
30 instruction program within the previous two years based on their
31 performance on the English proficiency assessment; (iii) fifteen
32 transitional bilingual program students per teacher; (iv) 36
33 instructional weeks per year; (v) 900 instructional hours per
34 teacher; and (vi) the compensation rates as provided in sections 503
35 and 504 of this act. Pursuant to RCW 28A.180.040(1)(g), the
36 instructional hours specified in (a)(ii) of this subsection (2) are
37 within the program of basic education.

38 (b) From July 1, 2017, to August 31, 2017, the superintendent
39 shall allocate funding to school districts for transitional bilingual

1 instruction programs as provided in section 514, chapter 4, Laws of
2 2015, 3rd sp. sess., as amended.

3 (3) The superintendent may withhold allocations to school
4 districts in subsection (2) of this section solely for the central
5 provision of assessments as provided in RCW 28A.180.090 (1) and (2)
6 up to the following amounts: (~~(2.55)~~) 2.50 percent for school year
7 2017-18 and 2.57 percent for school year 2018-19.

8 (4) The general fund—federal appropriation in this section is for
9 migrant education under Title I Part C and English language
10 acquisition, and language enhancement grants under Title III of the
11 elementary and secondary education act.

12 (5) \$35,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$35,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely to track current and former
15 transitional bilingual program students.

16 **Sec. 515.** 2017 3rd sp.s. c 1 s 515 (uncodified) is amended to
17 read as follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING**
19 **ASSISTANCE PROGRAM**

20	General Fund—State Appropriation (FY 2018)	. . . .	((\$326,233,000))
21			<u>\$323,386,000</u>
22	General Fund—State Appropriation (FY 2019)	. . . .	((\$355,633,000))
23			<u>\$330,463,000</u>
24	General Fund—Federal Appropriation	. . . . .	((\$505,487,000))
25			<u>\$519,487,000</u>
26	TOTAL APPROPRIATION.	. . . . .	((\$1,187,353,000))
27			<u>\$1,173,336,000</u>

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

30 (1) The general fund—state appropriations in this section are
31 subject to the following conditions and limitations:

32 (a) The appropriations include such funds as are necessary to
33 complete the school year ending in the fiscal year and for prior
34 fiscal year adjustments.

35 (b)(i) For the 2017-18 and 2018-19 school years, the
36 superintendent shall allocate funding to school districts for
37 learning assistance programs as provided in RCW 28A.150.260(10)(a),
38 except that the allocation for the additional instructional hours

1 shall be enhanced as provided in this section, which enhancements are
2 within the program of the basic education. In calculating the
3 allocations, the superintendent shall assume the following averages:
4 (A) Additional instruction of 2.3975 hours per week per funded
5 learning assistance program student for the 2017-18 and 2018-19
6 school years; (B) additional instruction of 1.1 hours per week per
7 funded learning assistance program student for the 2017-18 and
8 2018-19 school years in qualifying high-poverty school building; (C)
9 fifteen learning assistance program students per teacher; (D) 36
10 instructional weeks per year; (E) 900 instructional hours per
11 teacher; and (F) the compensation rates as provided in sections 503
12 and 504 of this act.

13 (ii) From July 1, 2017, to August 31, 2017, the superintendent
14 shall allocate funding to school districts for learning assistance
15 programs as provided in section 515, chapter 4, Laws of 2015, 3rd sp.
16 sess., as amended.

17 (c) A school district's funded students for the learning
18 assistance program shall be the sum of the district's full-time
19 equivalent enrollment in grades K-12 for the prior school year
20 multiplied by the district's percentage of October headcount
21 enrollment in grades K-12 eligible for free or reduced-price lunch in
22 the prior school year. The prior school year's October headcount
23 enrollment for free and reduced-price lunch shall be as reported in
24 the comprehensive education data and research system.

25 (2) Allocations made pursuant to subsection (1) of this section
26 shall be adjusted to reflect ineligible applications identified
27 through the annual income verification process required by the
28 national school lunch program, as recommended in the report of the
29 state auditor on the learning assistance program dated February,
30 2010.

31 (3) The general fund—federal appropriation in this section is
32 provided for Title I Part A allocations of the every student succeeds
33 act of 2016.

34 (4) A school district may carry over from one year to the next up
35 to 10 percent of the general fund—state funds allocated under this
36 program; however, carryover funds shall be expended for the learning
37 assistance program.

38 (5) Within existing resources, during the 2017-18 and 2018-19
39 school years, school districts are authorized to use funds allocated
40 for the learning assistance program to also provide assistance to

1 high school students who have not passed the state assessment in
2 science.

3 **Sec. 516.** 2017 3rd sp.s. c 1 s 516 (uncodified) is amended to
4 read as follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—PER PUPIL ALLOCATIONS**

6 Statewide Average Allocations

7 Per Annual Average Full-Time Equivalent Student

8 Basic Education Program	2017-18	2018-19
9	School Year	School Year
10 General Apportionment	(((\$7,038)) <u>\$7,063</u>)	(((\$8,037)) <u>\$8,741</u>)
11 Pupil Transportation	(((\$422)) <u>\$429</u>)	(((\$485)) <u>\$531</u>)
12 Special Education Programs	(((\$6,920)) <u>\$6,897</u>)	(((\$7,875)) <u>\$8,754</u>)
13 Institutional Education Programs	(((\$13,476)) <u>\$14,401</u>)	(((\$15,369)) <u>\$17,826</u>)
14 Programs for Highly Capable Students	(((\$455)) <u>\$457</u>)	(((\$525)) <u>\$570</u>)
15 Transitional Bilingual Programs	(((\$1,024)) <u>\$1,028</u>)	(((\$1,163)) <u>\$1,250</u>)
16 Learning Assistance Program	(((\$735)) <u>\$738</u>)	(((\$849)) <u>\$921</u>)

17 **Sec. 517.** 2017 3rd sp.s. c 1 s 518 (uncodified) is amended to
18 read as follows:

19 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

20 (1) Amounts distributed to districts by the superintendent
21 through part V of this act are for allocations purposes only, unless
22 specified by part V of this act, and do not entitle a particular
23 district, district employee, or student to a specific service, beyond
24 what has been expressly provided in statute. Part V of this act
25 restates the requirements of various sections of Title 28A RCW. If
26 any conflict exists, the provisions of Title 28A RCW control unless
27 this act explicitly states that it is providing an enhancement. Any
28 amounts provided in part V of this act in excess of the amounts
29 required by Title 28A RCW provided in statute, are not within the
30 program of basic education unless clearly stated by this act.

31 (2) To the maximum extent practicable, when adopting new or
32 revised rules or policies relating to the administration of
33 allocations in part V of this act that result in fiscal impact, the
34 office of the superintendent of public instruction shall attempt to
35 seek legislative approval through the budget request process.

1 (3) Appropriations made in this act to the office of the
2 superintendent of public instruction shall initially be allotted as
3 required by this act. Subsequent allotment modifications shall not
4 include transfers of moneys between sections of this act except as
5 expressly provided in subsection (4) of this section.

6 (4) The appropriations to the office of the superintendent of
7 public instruction in this act shall be expended for the programs and
8 amounts specified in this act. However, after May 1, 2018, unless
9 specifically prohibited by this act and after approval by the
10 director of financial management, the superintendent of public
11 instruction may transfer state general fund appropriations for fiscal
12 year 2018 among the following programs to meet the apportionment
13 schedule for a specified formula in another of these programs:
14 General apportionment, employee compensation adjustments, pupil
15 transportation, special education programs, institutional education
16 programs, transitional bilingual programs, highly capable, and
17 learning assistance programs.

18 (5) The director of financial management shall notify the
19 appropriate legislative fiscal committees in writing prior to
20 approving any allotment modifications or transfers under this
21 section.

22 (6) As required by RCW 28A.710.110, the office of the
23 superintendent of public instruction shall transmit the charter
24 school authorizer oversight fee for the charter school commission to
25 the charter school oversight account.

26 **Sec. 518.** 2017 3rd sp.s. c 1 s 519 (uncodified) is amended to
27 read as follows:

28 **FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR**
29 **CHARTER SCHOOLS**

30 Washington Opportunity Pathways Account—State
31 Appropriation. ((~~\$62,713,000~~))
32 \$53,641,000

33 The appropriation in this section is subject to the following
34 conditions and limitations: The superintendent shall distribute
35 funding appropriated in this section to charter schools under chapter
36 28A.710 RCW. Within amounts provided in this section the
37 superintendent may distribute funding for safety net awards for

1 charter schools with demonstrated needs for special education funding
2 beyond the amounts provided under chapter 28A.710 RCW.

3 **Sec. 519.** 2017 3rd sp.s. c 1 s 520 (uncodified) is amended to
4 read as follows:

5 **FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE**
6 **WASHINGTON STATE CHARTER SCHOOL COMMISSION**

7	Washington Opportunity Pathways Account—State	
8	Appropriation	((\$477,000))
9		<u>\$476,000</u>
10	Charter Schools Oversight Account—State	
11	Appropriation	((\$1,958,000))
12		<u>\$1,485,000</u>
13	TOTAL APPROPRIATION.	((\$2,435,000))
14		<u>\$1,961,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations: The entire Washington opportunity
17 pathways account—state appropriation in this section is provided to
18 the superintendent of public instruction solely for the operations of
19 the Washington state charter school commission under chapter 28A.710
20 RCW.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2017 3rd sp.s. c 1 s 605 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund—State Appropriation (FY 2018)	(((\$662,672,000)))
	<u>\$628,995,000</u>
General Fund—State Appropriation (FY 2019)	(((\$668,368,000)))
	<u>\$645,969,000</u>
Community/Technical College Capital Projects	
Account—State Appropriation.	(((\$23,841,000)))
	<u>\$21,618,000</u>
Education Legacy Trust Account—State Appropriation	(((\$138,314,000)))
	<u>\$138,315,000</u>
<u>Pension Funding Stabilization Account—State</u>	
<u>Appropriation.</u>	<u>\$67,897,000</u>
TOTAL APPROPRIATION.	(((\$1,493,195,000)))
	<u>\$1,502,794,000</u>

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

(1) \$33,261,000 of the general fund—state appropriation for fiscal year 2018 and \$33,261,000 of the general fund—state appropriation for fiscal year 2019 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 7,170 full-time equivalent students in fiscal year 2018 and at least 7,170 full-time equivalent students in fiscal year 2019.

(2) \$5,450,000 of the education legacy trust account—state appropriation is provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) \$425,000 of the general fund—state appropriation for fiscal year 2018 and \$425,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for Seattle central college's
2 expansion of allied health programs.

3 (4) \$5,250,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$5,250,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for the student achievement
6 initiative.

7 (5) \$1,610,000 of the general fund—state appropriation for fiscal
8 year 2018, and \$1,610,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for the expansion of the
10 mathematics, engineering, and science achievement program. The state
11 board shall report back to the appropriate committees of the
12 legislature on the number of campuses and students served by December
13 31, 2018.

14 (6) \$1,500,000 of the general fund—state appropriation for fiscal
15 year 2018 and (~~(\$1,500,000)~~) \$8,463,000 of the general fund—state
16 appropriation for fiscal year 2019 are provided solely for
17 implementation of guided pathways or similar programs designed to
18 improve student success, including, but not limited to, academic
19 program redesign, student advising, and other student supports.

20 (7) \$1,500,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$1,500,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for operating a fabrication
23 composite wing incumbent worker training program to be housed at the
24 Washington aerospace training and research center.

25 (8) \$100,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$100,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the aerospace center of
28 excellence currently hosted by Everett community college to:

29 (a) Increase statewide communications and outreach between
30 industry sectors, industry organizations, businesses, K-12 schools,
31 colleges, and universities;

32 (b) Enhance information technology to increase business and
33 student accessibility and use of the center's web site; and

34 (c) Act as the information entry point for prospective students
35 and job seekers regarding education, training, and employment in the
36 industry.

37 (9) (~~(\$18,588,000)~~) \$18,697,000 of the general fund—state
38 appropriation for fiscal year 2018 and (~~(\$18,960,000)~~) \$19,164,000 of
39 the general fund—state appropriation for fiscal year 2019 are

1 provided solely for the implementation of the college affordability
2 program as set forth in RCW 28B.15.066.

3 (10) Community and technical colleges are not required to send
4 mass mailings of course catalogs to residents of their districts.
5 Community and technical colleges shall consider lower cost
6 alternatives, such as mailing postcards or brochures that direct
7 individuals to online information and other ways of acquiring print
8 catalogs.

9 (11) The state board for community and technical colleges shall
10 not use funds appropriated in this section to support intercollegiate
11 athletics programs.

12 (12) \$157,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$157,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for the Wenatchee Valley college
15 wildfire prevention program.

16 (13) \$100,000 of the general fund—state appropriation for fiscal
17 year 2018 is provided solely for implementation of chapter 154, Laws
18 of 2017 (SSB 5022) (education loan information).

19 (14) \$185,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$185,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for implementation of chapter
22 177, Laws of 2017 (SSB 5100) (financial literacy seminars).

23 (15) \$41,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$42,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for implementation of chapter
26 98, Laws of 2017 (E2SHB 1375) (ctc course material costs).

27 (16) \$158,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$5,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for implementation of chapter
30 237, Laws of 2017 (ESHB 1115) (paraeducators).

31 (17) \$150,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$150,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for program delivery through
34 Green River College to the Covington area and southeast King county
35 in response to the education needs assessment conducted by the
36 student achievement council in the 2015-2017 fiscal biennium.

37 (18) \$60,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$60,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for a youth development program

1 operated by Everett community college in conjunction with a county
2 chapter of a national civil rights organization.

3 (19) \$750,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$750,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for increased enrollments in the
6 integrated basic education and skills training program. Funding will
7 support approximately 120 additional full-time equivalent enrollments
8 annually.

9 (20)(a) The state board must provide quality assurance reports on
10 the ctcLink project at the frequency directed by the office of chief
11 information officer for review and for posting on its information
12 technology project dashboard.

13 (b) The state board must develop a technology budget using a
14 method similar to the state capital budget, identifying project
15 costs, funding sources, and anticipated deliverables through each
16 stage of the investment and across fiscal periods and biennia from
17 project initiation to implementation. The budget must be updated at
18 the frequency directed by the office of chief information officer for
19 review and for posting on its information technology project
20 dashboard.

21 (c) The office of the chief information officer may suspend the
22 ctcLink project at any time if the office of the chief information
23 officer determines that the project is not meeting or is not expected
24 to meet anticipated performance measures, implementation timelines,
25 or budget estimates. Once suspension or termination occurs, the state
26 board shall not make additional expenditures on the ctcLink project
27 without approval of the chief information officer. The ctcLink
28 project funded through the community and technical college innovation
29 account created in RCW 28B.50.515 is subject to the conditions,
30 limitations, and review provided in section 724 of this act.

31 (21) \$150,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$150,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for the aerospace center of
34 excellence hosted by Everett Community College to develop an unmanned
35 aircraft system program in Sunnyside.

36 (22) \$216,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the opportunity center for
38 employment and education at north Seattle college.

1 (23) \$381,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for implementation of Engrossed Second
3 Substitute House Bill No. 2009 (gold star families/higher ed). If the
4 bill is not enacted by June 30, 2018, the amount provided in this
5 subsection shall lapse.

6 (24) \$2,000,000 of the general fund—state appropriation for
7 fiscal year 2019 is provided solely for implementation of House Bill
8 No. 2669 (civil service/part-time employees). If the bill is not
9 enacted by June 30, 2018, the amount provided in this subsection
10 shall lapse.

11 (25) \$500,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for Highline college to implement the
13 Federal Way higher education initiative in partnership with the city
14 of Federal Way and the University of Washington Tacoma campus.

15 (26)(a) \$150,000 of the general fund—state appropriation for
16 fiscal year 2019 is provided solely for the board to contract with an
17 independent professional consulting service to:

18 (i) Collect academic, classified, and professional employee total
19 compensation data, source of funding, and the duties or categories
20 for which that compensation is paid;

21 (ii) Identify comparable market rate salaries;

22 (iii) Incorporate, as appropriate, data from the office of
23 financial management from the compensation studies conducted pursuant
24 to the 2017-2019 memorandum of understanding between the state of
25 Washington community college coalition and the Washington federation
26 of state employees re: regional compensation issues; and

27 (iv) Provide analysis regarding whether a local labor market
28 adjustment formula should be implemented, and if so which market
29 adjustment factors and methods should be used.

30 (b) The board must collect, and college districts must provide,
31 the compensation, recruitment, and retention data necessary to
32 accomplish the work required in this subsection.

33 (c) The consultant shall provide an interim report to the board
34 by August 15, 2018. The consultant shall provide the final data and
35 analysis to the board by October 1, 2018.

36 (27) \$87,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$350,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for Peninsula college to expand
39 the annual cohorts of the specified programs as follows:

- 1 (a) Medical assisting, from 20 to 40 students;
- 2 (b) Nursing assistant, from 40 to 60 students; and
- 3 (c) Registered nursing, from 24 to 32 students.

4 (28) \$125,000 of the general fund—state appropriation for fiscal
 5 year 2019 is provided solely for work associated with the work-
 6 integrated learning strategic plan in section 501(59) of this act.

7 (29) \$338,000 of the general fund—state appropriation for fiscal
 8 year 2019 is provided solely for the Washington state labor education
 9 and research center at South Seattle College.

10 **Sec. 602.** 2017 3rd sp.s. c 1 s 606 (uncodified) is amended to
 11 read as follows:

12 **FOR THE UNIVERSITY OF WASHINGTON**

13	General Fund—State Appropriation (FY 2018)	. . . . .	((\$336,712,000))
14			<u>\$311,875,000</u>
15	General Fund—State Appropriation (FY 2019)	. . . . .	((\$353,811,000))
16			<u>\$327,352,000</u>
17	Aquatic Lands Enhancement Account—State Appropriation	. . . . .	\$1,350,000
18	UW Building Account—State Appropriation	. . . . .	\$1,052,000
19	Education Legacy Trust Account—State Appropriation	. . . . .	((\$30,050,000))
20			<u>\$33,050,000</u>
21	Economic Development Strategic Reserve Account—State		
22	Appropriation	. . . . .	\$3,035,000
23	<u>Pension Funding Stabilization Account—State</u>		
24	<u>Appropriation</u>	. . . . .	<u>\$51,068,000</u>
25	Biotoxin Account—State Appropriation	. . . . .	\$597,000
26	Dedicated Marijuana Account—State Appropriation		
27	(FY 2018)	. . . . .	\$247,000
28	Dedicated Marijuana Account—State Appropriation		
29	(FY 2019)	. . . . .	\$247,000
30	Accident Account—State Appropriation	. . . . .	\$7,436,000
31	Medical Aid Account—State Appropriation	. . . . .	\$7,042,000
32	<u>Geoduck Aquaculture Research Account—State</u>		
33	<u>Appropriation</u>	. . . . .	<u>\$200,000</u>
34	TOTAL APPROPRIATION	. . . . .	((\$741,579,000))
35			<u>\$744,551,000</u>

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

1 (1) \$52,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$52,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for the center for international
4 trade in forest products in the college of forest resources.

5 (2) (~~(\$38,581,000)~~) \$38,807,000 of the general fund—state
6 appropriation for fiscal year 2018 and (~~(\$39,353,000)~~) \$39,777,000 of
7 the general fund—state appropriation for fiscal year 2019 are
8 provided solely for the implementation of the college affordability
9 program as set forth in RCW 28B.15.066.

10 (3) \$200,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$200,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for labor archives of
13 Washington. The university shall work in collaboration with the state
14 board for community and technical colleges.

15 (4) \$8,000,000 of the education legacy trust account—state
16 appropriation is provided solely for the family medicine residency
17 network at the university to expand the number of residency slots
18 available in Washington.

19 (5) The university must continue work with the education research
20 and data center to demonstrate progress in computer science and
21 engineering enrollments. By September 1st of each year, the
22 university shall provide a report including but not limited to the
23 cost per student, student completion rates, and the number of low-
24 income students enrolled in each program, any process changes or
25 best-practices implemented by the university, and how many students
26 are enrolled in computer science and engineering programs above the
27 prior academic year.

28 (6) \$1,350,000 of the aquatic lands enhancement account—state is
29 provided solely for ocean acidification monitoring, forecasting, and
30 research and for operation of the Washington ocean acidification
31 center. By September 1, 2017, the center must provide a biennial work
32 plan and begin quarterly progress reports to the Washington marine
33 resources advisory council created under RCW 43.06.338.

34 (7) (~~(\$8,000,000)~~) \$11,000,000 of the education legacy trust
35 account—state appropriation is provided solely for the expansion of
36 degrees in the department of computer science and engineering at the
37 Seattle campus.

38 (8) \$1,000,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$1,000,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for the university to increase
2 resident undergraduate enrollments in science, technology,
3 engineering, and math majors. The university is expected to increase
4 full-time equivalent enrollment by approximately 60 additional
5 students.

6 (9) \$3,000,000 of the economic development strategic reserve
7 account appropriation is provided solely to support the joint center
8 for aerospace innovation technology.

9 (10) The University of Washington shall not use funds
10 appropriated in this section to support intercollegiate athletics
11 programs.

12 (11) \$250,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$250,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for the Latino health center.

15 (12) \$200,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$200,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for the climate impacts group in
18 the college of the environment.

19 (13) \$8,400,000 of the general fund—state appropriation for
20 fiscal year 2018 and \$7,400,000 of the general fund—state
21 appropriation for fiscal year 2019 are provided solely for the
22 continued operations and expansion of the Washington, Wyoming,
23 Alaska, Montana, Idaho medical school program.

24 (14) \$3,200,000 of the general fund—state appropriation for
25 fiscal year 2019 is provided solely for the university to host the
26 Special Olympics USA Games in July 2018.

27 (15) \$5,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$80,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for implementation of chapter
30 262, Laws of 2017 (E2SHB 1612) (lethal means, reduce access).

31 (16) \$400,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$400,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for a contract with the center
34 for sensorimotor neural engineering to advance research on spinal
35 cord injuries.

36 (17) \$2,250,000 of the general fund—state appropriation for
37 fiscal year 2018 and \$2,250,000 of the general fund—state
38 appropriation for fiscal year 2019 are provided solely for the
39 institute for stem cell and regenerative medicine. Funds appropriated

1 in this subsection must be dedicated to research utilizing
2 pluripotent stem cells and related research methods.

3 (18) \$500,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$500,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided to the University of Washington to
6 support youth and young adults experiencing homelessness in the
7 university district of Seattle. Funding is provided for the
8 university to work with community service providers and university
9 colleges and departments to plan for and implement a comprehensive
10 one-stop center with navigation services for homeless youth; the
11 university may contract with the department of commerce to expand
12 services that serve homeless youth in the university district.

13 (19) \$125,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$125,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the University of Washington
16 school of public health to study the air quality implications of air
17 traffic at the international airport in the state that has the
18 highest total annual number of arrivals and departures. The study
19 must include an assessment of the concentrations of ultrafine
20 particulate matter in areas surrounding and directly impacted by air
21 traffic generated by the airport, including areas within ten miles of
22 the airport in the directions of aircraft flight paths and within ten
23 miles of the airport where public agencies operate an existing air
24 monitoring station. The study must attempt to distinguish between
25 aircraft and other sources of ultrafine particulate matter, and must
26 compare concentrations of ultrafine particulate matter in areas
27 impacted by high volumes of air traffic with concentrations of
28 ultrafine particulate matter in areas that are not impacted by high
29 volumes of air traffic. The university must coordinate with local
30 governments in areas addressed by the study to share results and
31 inclusively solicit feedback from community members. By December 1,
32 2019, the university must report study findings, including any gaps
33 and uncertainties in health information associated with ultrafine
34 particulate matter, and recommend to the legislature whether
35 sufficient information is available to proceed with a second phase of
36 the study.

37 (20) The appropriations in this section include sufficient
38 funding for the implementation of chapter 154, Laws of 2017 (SSB
39 5022) (education loan information).

1 (21) The appropriations in this section include sufficient
2 funding for the implementation of chapter 177, Laws of 2017 (SSB
3 5100) (financial literacy seminars).

4 (22) Within the funds appropriated in this section, the
5 University of Washington shall:

6 (a) Review the scholarly literature on the short-term and long-
7 term effects of marijuana use to assess if other states or private
8 entities are conducting marijuana research in areas that may be
9 useful to the state.

10 (b) Provide as part of its budget request for the 2019-2021
11 biennium:

12 (i) A list of intended state, federal, and privately funded
13 marijuana research, including cost, duration, and scope; and

14 (ii) Plans for partnerships with other universities, state
15 agencies, or private entities, including entities outside the state,
16 for purposes related to researching short-term and long-term effects
17 of marijuana use.

18 (23) General fund—state appropriations in this section are
19 reduced to reflect a reduction in state-supported tuition waivers for
20 graduate students. When reducing tuition waivers, the university will
21 not change its practices and procedures for providing eligible
22 veterans with tuition waivers.

23 (24) \$45,000 of the general fund—state appropriation for fiscal
24 year 2018 is provided solely for the university to conduct research
25 and analysis of military officers who are attending or have completed
26 the command and general staff college, intermediate level education,
27 or advanced operations course as part of their military education.
28 The purpose of the research and analysis is to examine possible
29 graduate level degree programs to be offered in partnership with the
30 university and the U.S. army's command and general staff college. The
31 research and analysis shall include stakeholder meetings with the
32 U.S. army's command and general staff college. The university shall
33 submit a report to the appropriate legislative higher education
34 committees and the joint committee on veterans and military affairs
35 by December 31, 2018. The report shall include the results of the
36 research and analysis and plans for possible next steps with other
37 service schools for field grade officers.

38 (25)(a) \$140,000 of the general fund—state appropriation for
39 fiscal year 2018 is provided solely for the University of Washington

1 school of law to convene a study on the Washington state supreme
2 court decision *Volk v. DeMeerleer*, 386 P.3d 254 (Wash. 2016), and
3 whether or not it substantially changed the law on the duty of care
4 for mental health providers and whether it has had an impact on
5 access to mental health care services in the state. The study shall
6 include:

7 (i) Comprehensive review of duty to warn and duty to protect case
8 law and laws in the United States, including a description of how
9 Washington state's law compares to other states and to what extent,
10 if any, the Volk decision changed the law in this state;

11 (ii) Comprehensive review and assessment of the involuntary and
12 voluntary treatment capacity available in the state, including
13 information and data available from the select committee on quality
14 improvement in state hospitals, related contractors, and other
15 sources;

16 (iii) An analysis of lawsuits brought in the state as a result of
17 the Volk decision, including the outcome of any such cases and any
18 harm alleged in each lawsuit;

19 (iv) An analysis of lawsuits brought in the state prior to the
20 issuance of the Volk decision, and since the issuance of the decision
21 in *Petersen v. State*, against outpatient mental health providers
22 alleged to have breached either the duty to warn or the duty to take
23 reasonable precautions established in *Petersen*, including the outcome
24 of any such cases and the harm alleged in each lawsuit;

25 (v) An analysis of insurance claims filed as a result of the Volk
26 decision, including the outcome of any such cases and any harm
27 alleged in each claim filed;

28 (vi) Whether insurance policy provisions and rates have been
29 affected due to the Volk decision;

30 (vii) Assessment of the number of mental health service providers
31 available to provide treatment to voluntary mental health patients in
32 the state, whether that capacity has changed, and whether any such
33 change is a result of the Volk decision, and a description of any
34 changes as a result of the Volk decision;

35 (viii) Assessment of whether mental health service providers may
36 be changing practice to limit exposure to the potential risks created
37 by the Volk decision;

38 (ix) Assessment of legal and practice implications state legal
39 standards regarding duty to warn and duty to protect in the voluntary
40 and involuntary treatment context; and

1 (x) Comprehensive review of practices where the practice has been
2 consistently shown to have achieved the results it seeks to achieve
3 and that those results are superior to those achieved by other means.

4 (b) When performing the study under this subsection, the
5 University of Washington school of law shall consult with subject-
6 matter experts including, but not limited to, individuals
7 representing the following organizations:

8 (i) Attorneys with experience representing defendants in personal
9 injury cases or wrongful death cases related to the issues raised by
10 duty to warn cases;

11 (ii) Washington state association for justice, representing
12 attorneys with experience representing plaintiffs in personal injury
13 cases or wrongful death cases related to the issues raised by duty to
14 warn cases;

15 (iii) Department of social and health services;

16 (iv) Washington academy of family physicians;

17 (v) Washington association for mental health treatment
18 protection;

19 (vi) Office of the insurance commissioner;

20 (vii) Washington council for behavioral health;

21 (viii) Washington state hospital association;

22 (ix) Washington state medical association;

23 (x) Washington state psychiatric association;

24 (xi) Washington state psychological association;

25 (xii) Washington state society for clinical social work;

26 (xiii) Washington association of police chiefs and sheriffs;

27 (xiv) Victim support services;

28 (xv) NW health law advocates;

29 (xvi) National alliance on mental illness;

30 (xvii) American civil liberties union; and

31 (xviii) A sample of families who testified or presented evidence
32 of their cases to the legislature.

33 (c) The University of Washington school of law shall consult each
34 listed organization separately. Following collection and analysis of
35 relevant data, they shall hold at least one meeting of all listed
36 organizations to discuss the data, analysis, and recommendations. The
37 University of Washington school of law must submit the final report
38 to the appropriate committees of the legislature by December 1, 2017.

39 (26) \$85,000 of the general fund—state appropriation for fiscal
40 year 2019 is provided solely for implementation of Engrossed Second

1 Substitute House Bill No. 2009 (gold star families/higher education).
2 If the bill is not enacted by June 30, 2018, the amount provided in
3 this subsection shall lapse.

4 (27) \$38,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$152,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for updating the Washington
7 state parcel and forestland databases with standardized information
8 for all of Washington's parcels.

9 (28) \$77,000 of the general fund—state appropriation for fiscal
10 year 2019 is provided solely for the University of Washington school
11 of environmental and forest sciences to pilot a program to advise and
12 facilitate the activities of the Olympic peninsula forest
13 collaborative.

14 (29)(a) \$172,000 of the general fund—state appropriation for
15 fiscal year 2019 is provided solely for a University of Washington
16 study in the south Cascades to determine current wolf use and
17 density, and to gather baseline data to understand the effects of
18 wolf recolonization on predator-prey dynamics of species that
19 currently have established populations in the area. The study
20 objectives shall include:

21 (i) Determination of whether wolves have started to recolonize a
22 5,000 square kilometer study area in the south Cascades of
23 Washington, and if so, an assessment of their distribution over the
24 landscape as well as their health and pregnancy rates;

25 (ii) Baseline data collection, if wolves have not yet established
26 pack territories in this portion of the state, that will allow for
27 the assessment of how the functional densities and diets of wolves
28 across the landscape will affect the densities and diets in the
29 following predators and prey: Coyote, cougar, black bear, bobcat, red
30 fox, wolverine, elk, white tailed deer, mule deer, moose, caribou,
31 and snowshoe hare;

32 (iii) Examination of whether the microbiome of each species
33 changes as wolves start to occupy suitable habitat; and

34 (iv) An assessment of the use of alternative wildlife monitoring
35 tools to cost-effectively monitor size of the wolf population over
36 the long-term.

37 (b) A report on the findings of the study shall be shared with
38 the Washington department of fish and wildlife.

1 (30) \$1,000,000 of the general fund—state appropriation for
2 fiscal year 2019 is provided solely for the University of
3 Washington's psychiatry integrated care training program.

4 (31)(a) \$250,000 of the general fund—state appropriation for
5 fiscal year 2019 is provided solely for the creation and
6 implementation of the center for education strategy located at the
7 University of Washington campus in Tacoma. The center must be created
8 and administered by the University of Washington Tacoma, in
9 collaboration with an advisory board. The university must convene the
10 board, which shall be made of members including, but not limited to:

11 (i) Representatives from each public four-year institution;

12 (ii) The director, or director's designee, of the Washington
13 student achievement council;

14 (iii) The director, or director's designee, of the workforce
15 training and education coordinating board;

16 (iv) The director, or director's designee, of the state board for
17 community and technical colleges;

18 (v) The director, or director's designee, of the office of the
19 superintendent of public instruction;

20 (vi) A representative from the Washington roundtable;

21 (vii) A representative from the Washington state apprenticeship
22 and training council; and

23 (viii) A representative from the Washington building and
24 construction trades council.

25 (b) The center, in collaboration with its advisory board, shall
26 submit a report to the appropriate committees of the legislature by
27 December 1, 2018. The report shall include, but not be limited to:

28 (i) A broad strategy for shaping the state's overall system of
29 education to meet the state's needs in a globally competitive world;

30 (ii) Preliminary research on multi-institution, cross discipline
31 needs; and

32 (iii) A plan for the continued role of the center.

33 (32) \$200,000 of the geoduck aquaculture research account—state
34 appropriation is provided solely for the Washington sea grant program
35 at the University of Washington to complete a three-year study to
36 identify best management practices related to shellfish production.
37 The University of Washington must submit an annual report detailing
38 any findings and outline the progress of the study, consistent with

1 RCW 43.01.036, to the office of the governor and the appropriate
2 legislative committees by December 1st of each year.

3 (33) \$3,190,000 of the general fund—state appropriation for
4 fiscal year 2018 and \$6,323,000 of the general fund—state
5 appropriation for fiscal year 2019 are provided on a one-time basis
6 solely for compensation and central services costs. The funding
7 provided shall temporarily replace a portion of tuition expenditures
8 on central services and salaries and benefits for union-represented
9 and nonrepresented employees. The additional funding provided in this
10 section will permit the university to fund the incremental cost of
11 compensation costs for all general fund—state and tuition-supported
12 employees in equal amounts from general fund—state and tuition for
13 the remainder of the 2017-2019 fiscal biennium.

14 **Sec. 603.** 2017 3rd sp.s. c 1 s 607 (uncodified) is amended to
15 read as follows:

16 **FOR WASHINGTON STATE UNIVERSITY**

17	General Fund—State Appropriation (FY 2018)	. . . . .	((\$215,329,000))
18			\$200,486,000
19	General Fund—State Appropriation (FY 2019)	. . . . .	((\$227,266,000))
20			\$212,596,000
21	WSU Building Account—State Appropriation.	. . . . .	\$792,000
22	Education Legacy Trust Account—State Appropriation	. . . . .	\$33,995,000
23	Dedicated Marijuana Account—State Appropriation		
24	(FY 2018)	. . . . .	\$138,000
25	Dedicated Marijuana Account—State Appropriation		
26	(FY 2019)	. . . . .	\$138,000
27	Pension Funding Stabilization Account—State		
28	<u>Appropriation.</u>	. . . . .	\$30,983,000
29	TOTAL APPROPRIATION.	. . . . .	((\$477,658,000))
30			\$479,128,000

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

33 (1) \$90,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$90,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely for a rural economic development
36 and outreach coordinator.

37 (2) The university must continue work with the education research
38 and data center to demonstrate progress in computer science and

1 engineering enrollments. By September 1st of each year, the
2 university shall provide a report including but not limited to the
3 cost per student, student completion rates, and the number of low-
4 income students enrolled in each program, any process changes or
5 best-practices implemented by the university, and how many students
6 are enrolled in computer science and engineering programs above the
7 prior academic year.

8 (3) \$500,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$500,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for state match requirements
11 related to the federal aviation administration grant.

12 (4) Washington State University shall not use funds appropriated
13 in this section to support intercollegiate athletic programs.

14 (5) The appropriations in this section include sufficient funding
15 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
16 (education loan information).

17 (6) The appropriations in this section include sufficient funding
18 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
19 (financial literacy seminars).

20 (7) \$3,000,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$7,000,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for the continued development
23 and operations of a medical school program in Spokane.

24 (8) Within the funds appropriated in this section, Washington
25 State University is required to provide administrative support to the
26 sustainable aviation biofuels work group authorized under RCW
27 28B.30.904.

28 (9) \$135,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$135,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for a honey bee biology research
31 position.

32 (10) (~~(\$27,425,000)~~) \$27,586,000 of the general fund—state
33 appropriation for fiscal year 2018 and (~~(\$27,973,000)~~) \$28,275,000 of
34 the general fund—state appropriation for fiscal year 2019 are
35 provided solely for the implementation of the college affordability
36 program as set forth in RCW 28B.15.066.

37 (11) \$230,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$376,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for chapter 202, Laws of 2017
2 (2SHB 1713) (children's mental health).

3 (12) \$300,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$300,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for the William D. Ruckelshaus
6 center to collaborate with groups and organizations, including
7 associations of local governments, associations of the business, real
8 estate and building industries, state agencies, environmental
9 organizations, state universities, public health and planning
10 organizations, and tribal governments, to create a "Road Map to
11 Washington's Future." The road map shall identify areas of agreement
12 on ways to adapt Washington's growth management framework of
13 statutes, institutions, and policies to meet future challenges in
14 view of robust forecasted growth and the unique circumstances and
15 urgent priorities in the diverse regions of the state. The center
16 shall, in conjunction with state universities and other sponsors,
17 conduct regional workshops to:

18 (a) Engage Washington residents in identifying a desired
19 statewide vision for Washington's future;

20 (b) Partner with state universities on targeted research to
21 inform future alternatives;

22 (c) Facilitate deep and candid interviews with representatives of
23 the above named groups and organizations; and

24 (d) Convene parties for collaborative conversations and potential
25 agreement seeking.

26 The center must submit a final report to the appropriate committees
27 of the legislature by June 30, 2019.

28 (13) \$580,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$580,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for the development of an
31 organic agriculture systems degree program located at the university
32 center in Everett.

33 (14) Within the funds appropriated in this section, Washington
34 State University shall:

35 (a) Review the scholarly literature on the short-term and long-
36 term effects of marijuana use to assess if other states or private
37 entities are conducting marijuana research in areas that may be
38 useful to the state.

1 (b) Provide as part of its budget request for the 2019-2021
2 fiscal biennium:

3 (i) A list of intended state, federal, and privately funded
4 marijuana research, including cost, duration, and scope;

5 (ii) Plans for partnerships with other universities, state
6 agencies, or private entities, including entities outside the state,
7 for purposes related to researching short-term and long-term effects
8 of marijuana use.

9 (15) \$760,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$760,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for implementation of chapter
12 159, Laws of 2017 (2SSB 5474) (elk hoof disease).

13 (16) \$630,000 of the general fund—state appropriation for fiscal
14 2018 and \$630,000 of the general fund—state appropriation for fiscal
15 year 2019 are provided solely for the creation of an electrical
16 engineering program located in Bremerton. At full implementation, the
17 university is expected to increase degree production by 25 new
18 bachelor's degrees per year. The university must identify these
19 students separately when providing data to the education research
20 data center as required in subsection (2) of this section.

21 (17) \$1,370,000 of the general fund—state appropriation for
22 fiscal year 2018 and \$1,370,000 of the general fund—state
23 appropriation for fiscal year 2019 are provided solely for the
24 creation of software engineering and data analytic programs at the
25 university center in Everett. At full implementation, the university
26 is expected to enroll 50 students per academic year. The university
27 must identify these students separately when providing data to the
28 education research data center as required in subsection (2) of this
29 section.

30 (18) General fund—state appropriations in this section are
31 reduced to reflect a reduction in state-supported tuition waivers for
32 graduate students. When reducing tuition waivers, the university will
33 not change its practices and procedures for providing eligible
34 veterans with tuition waivers.

35 (19) \$768,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$504,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for implementation of chapter
38 36, Laws of 2017 3rd sp. sess. (renewable energy, tax incentives).

1 (20) \$89,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for implementation of Engrossed Second
3 Substitute House Bill No. 2009 (gold star families/higher ed). If the
4 bill is not enacted by June 30, 2018, the amount provided in this
5 subsection shall lapse.

6 (21) \$58,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for implementation of Substitute House
8 Bill No. 2580 (renewable natural gas). If the bill is not enacted by
9 June 30, 2018, the amount provided in this subsection shall lapse.

10 (22) \$50,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for the integrated weed control project.

12 **Sec. 604.** 2017 3rd sp.s. c 1 s 608 (uncodified) is amended to
13 read as follows:

14 **FOR EASTERN WASHINGTON UNIVERSITY**

15	General Fund—State Appropriation (FY 2018)	((\$50,064,000))
16		<u>\$50,090,000</u>
17	General Fund—State Appropriation (FY 2019)	((\$51,985,000))
18		<u>\$52,115,000</u>
19	Education Legacy Trust Account—State Appropriation . . .	\$16,598,000
20	TOTAL APPROPRIATION.	((\$118,647,000))
21		<u>\$118,803,000</u>

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

24 (1) At least \$200,000 of the general fund—state appropriation for
25 fiscal year 2018 and at least \$200,000 of the general fund—state
26 appropriation for fiscal year 2019 must be expended on the Northwest
27 autism center.

28 (2) The university must continue work with the education research
29 and data center to demonstrate progress in computer science and
30 engineering enrollments. By September 1st of each year, the
31 university shall provide a report including but not limited to the
32 cost per student, student completion rates, and the number of low-
33 income students enrolled in each program, any process changes or
34 best-practices implemented by the university, and how many students
35 are enrolled in computer science and engineering programs above the
36 prior academic year.

1 (3) Eastern Washington University shall not use funds
2 appropriated in this section to support intercollegiate athletics
3 programs.

4 (4) (~~(\$9,851,000)~~) \$9,909,000 of the general fund—state
5 appropriation for fiscal year 2018 and (~~(\$10,048,000)~~) \$10,156,000 of
6 the general fund—state appropriation for fiscal year 2019 are
7 provided solely for the implementation of the college affordability
8 program as set forth in RCW 28B.15.066.

9 (5) The appropriations in this section include sufficient funding
10 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
11 (education loan information).

12 (6) The appropriations in this section include sufficient funding
13 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
14 (financial literacy seminars).

15 (7) Within amounts appropriated in this section, the university
16 is encouraged to increase the number of tenure-track positions
17 created and hired.

18 (8) \$55,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for implementation of Engrossed Second
20 Substitute House Bill No. 2009 (gold star families/higher education).
21 If the bill is not enacted by June 30, 2018, the amount provided in
22 this subsection shall lapse.

23 **Sec. 605.** 2017 3rd sp.s. c 1 s 609 (uncodified) is amended to
24 read as follows:

25 **FOR CENTRAL WASHINGTON UNIVERSITY**

26	General Fund—State Appropriation (FY 2018)	. . . . .	((\$49,969,000))
27			<u>\$48,136,000</u>
28	General Fund—State Appropriation (FY 2019)	. . . . .	((\$52,303,000))
29			<u>\$50,849,000</u>
30	CWU Capital Projects Account—State Appropriation.	. . . . .	\$76,000
31	Education Legacy Trust Account—State Appropriation	. . . . .	\$19,076,000
32	<u>Pension Funding Stabilization Account—State</u>		
33	<u>Appropriation.</u>	. . . . .	<u>\$3,921,000</u>
34	TOTAL APPROPRIATION.	. . . . .	((\$121,424,000))
35			<u>\$122,058,000</u>

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

1 (1) The university must continue work with the education research
2 and data center to demonstrate progress in engineering enrollments.
3 By September 1st of each year, the university shall provide a report
4 including but not limited to the cost per student, student completion
5 rates, and the number of low-income students enrolled in each
6 program, any process changes or best-practices implemented by the
7 university, and how many students are enrolled in engineering
8 programs above the prior academic year.

9 (2) Central Washington University shall not use funds
10 appropriated in this section to support intercollegiate athletics
11 programs.

12 (3) (~~(\$11,104,000)~~) \$11,169,000 of the general fund—state
13 appropriation for fiscal year 2018 and (~~(\$11,326,000)~~) \$11,448,000 of
14 the general fund—state appropriation for fiscal year 2019 are
15 provided solely for the implementation of the college affordability
16 program as set forth in RCW 28B.15.066.

17 (4) The appropriations in this section include sufficient funding
18 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
19 (education loan information).

20 (5) The appropriations in this section include sufficient funding
21 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
22 (financial literacy seminars).

23 (6) Within amounts appropriated in this section, the university
24 is encouraged to increase the number of tenure-track positions
25 created and hired.

26 (7) \$76,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely for implementation of Engrossed Second
28 Substitute House Bill No. 2009 (gold star families/higher education).
29 If the bill is not enacted by June 30, 2018, the amount provided in
30 this subsection shall lapse.

31 (8) \$50,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for implementation of Substitute House
33 Bill No. 1559 (uniformed personnel arbitration). If the bill is not
34 enacted by June 30, 2018, the amount provided in this subsection
35 shall lapse.

36 (9) \$200,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the game on! program, which provides
38 underserved middle and high school students with training in

1 leadership and science, technology, engineering, and math. The
2 program is expected to serve approximately 500 students per year.

3 **Sec. 606.** 2017 3rd sp.s. c 1 s 610 (uncodified) is amended to
4 read as follows:

5 **FOR THE EVERGREEN STATE COLLEGE**

6	General Fund—State Appropriation (FY 2018)	. . . . .	((\$26,543,000))
7			<u>\$26,582,000</u>
8	General Fund—State Appropriation (FY 2019)	. . . . .	((\$27,146,000))
9			<u>\$28,109,000</u>
10	TESC Capital Projects Account—State Appropriation.	. . . . .	\$80,000
11	Education Legacy Trust Account—State Appropriation	. . . . .	\$5,450,000
12	((Liquor Revolving Account—State Appropriation.	. . . . .	\$250,000))
13	<u>Pension Funding Stabilization Account—State</u>		
14	<u>Appropriation.</u>	. . . . .	<u>\$2,000</u>
15	TOTAL APPROPRIATION.	. . . . .	((\$59,469,000))
16			<u>\$60,223,000</u>

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

19 (1) ((~~\$3,377,000~~)) \$3,397,000 of the general fund—state
20 appropriation for fiscal year 2018 and ((~~\$3,445,000~~)) \$3,482,000 of
21 the general fund—state appropriation for fiscal year 2019 are
22 provided solely for the implementation of the college affordability
23 program as set forth in RCW 28B.15.066.

24 (2) Funding provided in this section is sufficient for The
25 Evergreen State College to continue operations of the Longhouse
26 Center and the Northwest Indian applied research institute.

27 (3) Notwithstanding other provisions in this section, the board
28 of directors for the Washington state institute for public policy may
29 adjust due dates for projects included on the institute's 2017-19
30 work plan as necessary to efficiently manage workload.

31 (4) The Evergreen State College shall not use funds appropriated
32 in this section to support intercollegiate athletics programs.

33 (5) \$33,000 of the general fund—state appropriation for fiscal
34 year 2018 and ((~~\$65,000~~)) \$95,000 of the general fund—state
35 appropriation for fiscal year 2019 are provided solely for
36 implementation of chapter 265, Laws of 2017 (SHB 1867) (ext. foster
37 care transitions).

1 (6) \$62,000 of the general fund—state appropriation for fiscal
2 year 2018 are provided solely for implementation of chapter 237, Laws
3 of 2017 (ESHB 1115) (paraeducators).

4 (7) \$17,000 of the general fund—state appropriation for fiscal
5 year 2018 and (~~(\$34,000)~~) \$41,000 of the general fund—state
6 appropriation for fiscal year 2019 are provided solely for the
7 Washington institute for public policy to conduct a study regarding
8 the implementation of certain aspects of the involuntary treatment
9 act, pursuant to chapter 29, Laws of 2016, sp. sess. (E3SHB 1713).

10 (8) The appropriations in this section include sufficient funding
11 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
12 (education loan information).

13 (9) The appropriations in this section include sufficient funding
14 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
15 (financial literacy seminars).

16 (10) \$72,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$43,000 of the general fund—state appropriation for
18 fiscal year 2019 is provided solely for the Washington institute for
19 public policy to update its previous meta-analysis on the effect of
20 the national board for professional teaching standards certification
21 on student outcomes by December 15, 2018. The institute shall also
22 report on the following:

23 (a) Does the certification improve teacher retention in
24 Washington state?;

25 (b) Has the additional bonus provided under RCW 28A.405.415 to
26 certificated instructional staff who have attained national board
27 certification to work in high poverty schools acted as an incentive
28 for such teachers to actually work in high poverty schools?; and

29 (c) Have other states provided similar incentives to achieve a
30 more equitable distribution of staff with national board
31 certification?

32 (11) \$122,000 of the general fund—state appropriation for fiscal
33 year 2018 and (~~(\$40,000)~~) \$141,000 of the general fund—state
34 appropriation for fiscal year 2019 are provided solely for the
35 implementation of chapter 244, Laws of 2015 (college bound).

36 (12) \$1,000 of the general fund—state appropriation for fiscal
37 year 2018 and (~~(\$1,000)~~) \$7,000 of the general fund—state
38 appropriation for fiscal year 2019 are provided solely for the

1 implementation of chapter 7, Laws of 2015, 3rd sp.s. (early start
2 act).

3 ~~((14))~~ (13) Within amounts appropriated in this section, the
4 college is encouraged to increase the number of tenure-track
5 positions created and hired.

6 ~~((15))~~ (14) \$16,000 of the general fund—state appropriation for
7 fiscal year 2018 and ~~((22,000))~~ \$50,000 of the general fund—state
8 appropriation for fiscal year 2019 are provided solely for
9 implementation of Engrossed Substitute Senate Bill No. 5890 (foster
10 care and adoption). If the bill is not enacted by July 31, 2017, the
11 amounts provided in this subsection shall lapse.

12 (15) \$35,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for implementation of House Bill No.
14 2892 (mental health field response). If the bill is not enacted by
15 June 30, 2018, the amount provided in this subsection shall lapse.

16 (16) \$50,000 of the general fund—state appropriation for fiscal
17 year 2019 is provided solely for implementation of Substitute House
18 Bill No. 1559 (uniformed personnel arbitration). If the bill is not
19 enacted by June 30, 2018, the amount provided in this subsection
20 shall lapse.

21 (17) \$100,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for the Washington state institute for
23 public policy to conduct a meta-analysis of United States single
24 payer and other United States universal health care proposals,
25 studies, and models. The institute shall provide a report to the
26 appropriate committees of the legislature by December 1, 2018. The
27 analysis shall:

28 (a) Summarize the parameters used to define universal health care
29 coverage;

30 (b) Summarize the various models proposed;

31 (c) Identify the role of the state in providing health care
32 coverage;

33 (d) Compare and contrast the extent to which the state is sole
34 payer for health care coverage;

35 (e) Identify the extent to which other funds are leveraged to
36 provide for health care coverage;

37 (f) Identify the various financing mechanisms proposed;

38 (g) Examine any cost savings to consumers, the health care
39 system, or the state resulting from the adoption of such a model; and

1 (h) Summarize any identified technical challenges.

2 (18) \$56,000 of the general fund—state appropriation for fiscal
3 year 2019 is provided solely for data storage and security upgrades
4 at the Washington state institute for public policy.

5 (19) \$76,000 of the general fund—state appropriation for fiscal
6 year 2019 is provided solely for implementation of Engrossed House
7 Bill No. 2008 (child welfare budgeting). If the bill is not enacted
8 by June 30, 2018, the amount provided in this subsection shall lapse.

9 (20) \$27,000 of the general fund—state appropriation for fiscal
10 year 2019 is provided solely for implementation of Engrossed Second
11 Substitute House Bill No. 2009 (gold star families/higher education).
12 If the bill is not enacted by June 30, 2018, the amount provided in
13 this subsection shall lapse.

14 (21) \$150,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided to the Washington state institute for public
16 policy solely for additional research related to marijuana. In
17 addition to those activities performed pursuant to Initiative Measure
18 No. 502, the institute must:

19 (a) Update the inventory of programs for the prevention and
20 treatment of youth cannabis use published in December 2016; and

21 (b) Examine current data collection methods measuring use of
22 cannabis by youth and report to the legislature on potential ways to
23 improve data collection and comparisons; and

24 (c) To the extent information is available, identify effective
25 methods used to reduce or eliminate the unlicensed cultivation or
26 distribution of marijuana or marijuana containing products in
27 jurisdictions with existing recreational and/or medical marijuana
28 markets.

29 (22)(a) \$87,000 of the general fund—state appropriation for
30 fiscal year 2019 is provided solely for the Washington state
31 institute for public policy to conduct a study of medical debt in
32 Washington. The study must include:

33 (i) A systematic review of the prevalence and impact of medical
34 debt on Washingtonians including, but not limited to, if available:

35 (A) The nature and amount of medical debt;

36 (B) The amount of prejudgment interest sought;

37 (C) Attorneys' fees and other collection costs sought by
38 collection agencies;

1 (D) Number and rate of default judgments in medical debt
2 collection cases;

3 (E) The amount of postjudgment interest, garnishment fees, and
4 other costs after judgment; and

5 (F) Hospital debt collection policies; and

6 (ii) A comparison of the laws and practices regarding medical
7 debt collection in Washington with those in other states.

8 (b) In conducting its analysis, the Washington state institute
9 for public policy may work with the administrative office of the
10 courts and individual courts throughout the state in order to access
11 necessary data.

12 (c) The Washington state institute for public policy shall
13 conduct research to enable a report of the findings of the study to
14 be completed and submitted to the appropriate committees of the
15 legislature by December 1, 2019.

16 (23) \$111,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$20,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for implementation of chapter
19 205, Laws of 2016 (2SHB 2449) (truancy reduction).

20 **Sec. 607.** 2017 3rd sp.s. c 1 s 611 (uncodified) is amended to
21 read as follows:

22 **FOR WESTERN WASHINGTON UNIVERSITY**

23	General Fund—State Appropriation (FY 2018)	. . . . .	((\$70,456,000))
24			<u>\$70,474,000</u>
25	General Fund—State Appropriation (FY 2019)	. . . . .	((\$72,950,000))
26			<u>\$73,905,000</u>
27	Education Legacy Trust Account—State Appropriation	. . .	\$13,831,000
28	Western Washington University Capital Projects		
29	Account—State Appropriation (FY 2018)	. . . . .	\$771,000
30	Western Washington University Capital Projects Account—State		
31	Appropriation (FY 2019)	. . . . .	\$712,000
32	TOTAL APPROPRIATION	. . . . .	((\$158,720,000))
33			<u>\$159,693,000</u>

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

36 (1) The university must continue work with the education research
37 and data center to demonstrate progress in computer science and
38 engineering enrollments. By September 1st of each year, the

1 university shall provide a report including but not limited to the
2 cost per student, student completion rates, and the number of low-
3 income students enrolled in each program, any process changes or
4 best-practices implemented by the university, and how many students
5 are enrolled in computer science and engineering programs above the
6 prior academic year.

7 (2) \$630,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$630,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for the computer and information
10 systems security program located at Olympic college - Poulsbo. The
11 university is expected to enroll 30 students each academic year
12 beginning in fiscal year 2017. The university must identify these
13 students separately when providing data to the educational data
14 centers as required in (1) of this section.

15 (3) Western Washington University shall not use funds
16 appropriated in this section to support intercollegiate athletics
17 programs.

18 (4) (~~(\$15,326,000)~~) \$15,416,000 of the general fund—state
19 appropriation for fiscal year 2018 and (~~(\$15,632,000)~~) \$15,801,000 of
20 the general fund—state appropriation for fiscal year 2019 are
21 provided solely for the implementation of the college affordability
22 program as set forth in RCW 28B.15.066.

23 (5) The appropriations in this section include sufficient funding
24 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
25 (education loan information).

26 (6) The appropriations in this section include sufficient funding
27 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
28 (financial literacy seminars).

29 (7) \$500,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$500,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for programs or initiatives
32 designed to improve student academic success and increase degree
33 completion.

34 (8) Within amounts appropriated in this section, the university
35 is encouraged to increase the number of tenure-track positions
36 created and hired.

37 (9) \$39,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for implementation of Engrossed Second
39 Substitute House Bill No. 2009 (gold star families/higher education).

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

3 (10) \$700,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for the creation and implementation of
5 an early childhood education degree program at the western on the
6 peninsulas campus. The university must collaborate with Olympic
7 college. At full implementation, the university is expected to grant
8 approximately 75 bachelor's degrees in early childhood education per
9 year at the western on the peninsulas campus.

10 (11) \$50,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for implementation of Substitute House
12 Bill No. 1559 (uniformed personnel arbitration). If the bill is not
13 enacted by June 30, 2018, the amount provided in this subsection
14 shall lapse.

15 (12) \$70,000 of the general fund—state appropriation for fiscal
16 year 2019 is provided solely for a study of the feasibility of the
17 university creating a four-year degree-granting campus on the Kitsap
18 or Olympic peninsula. The university shall submit a report on the
19 findings of the study to the governor and appropriate committees of
20 the legislature by December 2018.

21 **Sec. 608.** 2017 3rd sp.s. c 1 s 612 (uncodified) is amended to
22 read as follows:

23 **FOR THE STUDENT ACHIEVEMENT COUNCIL—POLICY COORDINATION AND**
24 **ADMINISTRATION**

25	General Fund—State Appropriation (FY 2018)	. . . . .	((\$5,640,000))
26			\$5,370,000
27	General Fund—State Appropriation (FY 2019)	. . . . .	((\$5,791,000))
28			\$6,304,000
29	General Fund—Federal Appropriation	. . . . .	\$4,892,000
30	<u>Pension Funding Stabilization Account—State</u>		
31	<u>Appropriation.</u>	. . . . .	\$535,000
32	TOTAL APPROPRIATION.	. . . . .	((\$16,323,000))
33			\$17,101,000

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

36 (1) \$20,000 of the general fund—state appropriation for fiscal
37 year 2018 is provided solely for administrative costs to implement
38 the expansion of the college bound scholarship program for foster

1 youth, pursuant to Engrossed Substitute Senate Bill No. 5890 (foster
2 care and adoption). If the bill is not enacted by July 31, 2017, the
3 amount provided in this subsection shall lapse.

4 (2) \$62,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely for implementation of Second Substitute
6 House Bill No. 1512 (expanding college bound scholarship
7 eligibility). If the bill is not enacted by June 30, 2018, the amount
8 provided in this subsection shall lapse.

9 (3) \$363,000 of the general fund—state appropriation for fiscal
10 year 2019 is provided solely for implementation of Engrossed Second
11 Substitute House Bill No. 2143 (higher education financial aid). If
12 the bill is not enacted by June 30, 2018, the amount provided in this
13 subsection shall lapse.

14 (4) \$33,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided solely for implementation of House Bill No.
16 2832 (passport to college/foster). If the bill is not enacted by June
17 30, 2018, the amount provided in this subsection shall lapse.

18 (5) \$200,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for implementation of Engrossed Fourth
20 Substitute House Bill No. 1827 (educator workforce supply). If the
21 bill is not enacted by June 30, 2018, the amount provided in this
22 subsection shall lapse.

23 (6) \$126,000 of the general fund—state appropriation for fiscal
24 year 2019 is provided solely for the consumer protection unit.

25 **Sec. 609.** 2017 3rd sp.s. c 1 s 613 (uncodified) is amended to
26 read as follows:

27 **FOR THE STUDENT ACHIEVEMENT COUNCIL—OFFICE OF STUDENT FINANCIAL**
28 **ASSISTANCE**

29	General Fund—State Appropriation (FY 2018)	. . . .	((\$238,397,000))
30			<u>\$238,388,000</u>
31	General Fund—State Appropriation (FY 2019)	. . . .	((\$242,726,000))
32			<u>\$273,016,000</u>
33	General Fund—Federal Appropriation	. . . . .	((\$11,906,000))
34			<u>\$11,905,000</u>
35	General Fund—Private/Local Appropriation	. . . . .	\$300,000
36	Education Legacy Trust Account—State Appropriation	.	((\$99,955,000))
37			<u>\$104,291,000</u>
38	WA Opportunity Pathways Account—State Appropriation		((\$117,389,000))

1		<u>\$122,350,000</u>
2	Aerospace Training Student Loan Account—State	
3	Appropriation	\$208,000
4	Health Professionals Loan Repayment and Scholarship	
5	Program Account—State Appropriation	\$4,720,000
6	<u>Pension Funding Stabilization Account—State Appropriation. .</u>	<u>\$18,000</u>
7	TOTAL APPROPRIATION.	((\$715,601,000))
8		<u>\$755,196,000</u>

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

11 (1) \$229,157,000 of the general fund—state appropriation for
12 fiscal year 2018, \$233,928,000 of the general fund—state
13 appropriation for fiscal year 2019, \$69,376,000 of the education
14 legacy trust account—state appropriation, and \$88,000,000 of the
15 Washington opportunity pathways account—state appropriation are
16 provided solely for student financial aid payments under the state
17 need grant and state work study programs, including up to four
18 percent administrative allowance for the state work study program.

19 (2)(a) For the 2017-2019 fiscal biennium, state need grant awards
20 given to private for-profit institutions shall be the same amount as
21 the prior year.

22 (b) For the 2017-2019 fiscal biennium, grant awards given to
23 private four-year not-for-profit institutions shall be set at the
24 same level as the average grant award for public research
25 universities. Increases in awards given to private four-year not-for-
26 profit institutions shall align with annual tuition increases for
27 public research institutions.

28 (3) Changes made to the state work study program in the 2009-2011
29 and 2011-2013 fiscal biennia are continued in the 2017-2019 fiscal
30 biennium including maintaining the increased required employer share
31 of wages; adjusted employer match rates; discontinuation of
32 nonresident student eligibility for the program; and revising
33 distribution methods to institutions by taking into consideration
34 other factors such as off-campus job development, historical
35 utilization trends, and student need.

36 (4) Within the funds appropriated in this section, eligibility
37 for the state need grant includes students with family incomes at or
38 below 70 percent of the state median family income (MFI), adjusted
39 for family size, and shall include students enrolled in three to five

1 credit-bearing quarter credits, or the equivalent semester credits.
2 Awards for students with incomes between 51 and 70 percent of the
3 state median shall be prorated at the following percentages of the
4 award amount granted to those with incomes below 51 percent of the
5 MFI: 70 percent for students with family incomes between 51 and 55
6 percent MFI; 65 percent for students with family incomes between 56
7 and 60 percent MFI; 60 percent for students with family incomes
8 between 61 and 65 percent MFI; and 50 percent for students with
9 family incomes between 66 and 70 percent MFI.

10 (5) Of the amounts provided in subsection (1) of this section,
11 \$100,000 of the general fund—state appropriation for fiscal year 2018
12 and \$100,000 of the general fund—state appropriation for fiscal year
13 2019 are provided for the council to process an alternative financial
14 aid application system pursuant to RCW 28B.92.010.

15 (6) Students who are eligible for the college bound scholarship
16 shall be given priority for the state need grant program. These
17 eligible college bound students whose family incomes are in the 0-65
18 percent median family income ranges must be awarded the maximum state
19 need grant for which they are eligible under state policies and may
20 not be denied maximum state need grant funding due to institutional
21 policies or delayed awarding of college bound scholarship students.
22 The council shall provide directions to institutions to maximize the
23 number of college bound scholarship students receiving the maximum
24 state need grant for which they are eligible with a goal of 100
25 percent coordination. Institutions shall identify all college bound
26 scholarship students to receive state need grant priority. If an
27 institution is unable to identify all college bound scholarship
28 students at the time of initial state aid packaging, the institution
29 should reserve state need grant funding sufficient to cover the
30 projected enrollments of college bound scholarship students.

31 (7) \$15,849,000 of the education legacy trust account—state
32 appropriation and (~~(\$29,389,000)~~) \$34,350,000 of the Washington
33 opportunity pathways account—state appropriation are provided solely
34 for the college bound scholarship program and may support
35 scholarships for summer session. Funding provided in this subsection
36 reflects treatment of the state-funded portion of the Washington
37 state opportunity scholarship as a state-funded grant under RCW
38 28B.118.010.

1 (8) \$2,236,000 of the general fund—state appropriation for fiscal
2 year 2018 and (~~(\$2,236,000)~~) \$2,535,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for the
4 passport to college program. The maximum scholarship award is up to
5 \$5,000. The council shall contract with a nonprofit organization to
6 provide support services to increase student completion in their
7 postsecondary program and shall, under this contract, provide a
8 minimum of \$500,000 in fiscal years 2018 and 2019 for this purpose.
9 Of the amounts in this subsection, \$299,000 of the general fund—state
10 appropriation for fiscal year 2019 is provided solely for
11 implementation of House Bill No. 2832 (passport to college/foster).
12 If the bill is not enacted by June 30, 2018, this portion of the
13 amount provided in this subsection shall lapse.

14 (9) (~~(\$14,730,000)~~) \$19,066,000 of the education legacy trust
15 account—state appropriation is provided solely to meet state match
16 requirements associated with the opportunity scholarship program. The
17 legislature will evaluate subsequent appropriations to the
18 opportunity scholarship program based on the extent that additional
19 private contributions are made, program spending patterns, and fund
20 balance.

21 (10) \$2,325,000 of the general fund—state appropriation for
22 fiscal year 2018 and \$2,325,000 of the general fund—state
23 appropriation for fiscal year 2019 are provided solely for
24 expenditure into the health professionals loan repayment and
25 scholarship program account. These amounts and \$4,720,000
26 appropriated from the health professionals loan repayment and
27 scholarship program account must be used to increase the number of
28 licensed primary care health professionals to serve in licensed
29 primary care health professional critical shortage areas. Contracts
30 between the office and program recipients must guarantee at least
31 three years of conditional loan repayments. The office of student
32 financial assistance and the department of health shall prioritize a
33 portion of any nonfederal balances in the health professional loan
34 repayment and scholarship fund for conditional loan repayment
35 contracts with psychiatrists and with advanced registered nurse
36 practitioners for work at one of the state-operated psychiatric
37 hospitals. The office and department shall designate the state
38 hospitals as health professional shortage areas if necessary for this
39 purpose. The office shall coordinate with the department of social

1 and health services to effectively incorporate three conditional loan
2 repayments into the department's advanced psychiatric professional
3 recruitment and retention strategies. The office may use these
4 targeted amounts for other program participants should there be any
5 remaining amounts after eligible psychiatrists and advanced
6 registered nurse practitioners have been served. The office shall
7 also work to prioritize loan repayments to professionals working at
8 health care delivery sites that demonstrate a commitment to serving
9 uninsured clients. It is the intent of the legislature to provide
10 funding to maintain the current number and amount of awards for the
11 program in the 2019-2021 biennium on the basis of these contractual
12 obligations.

13 (11) \$42,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$42,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the council to design and
16 implement a program that provides customized information to high-
17 achieving (as determined by local school districts), low-income, high
18 school students. "Low-income" means students who are from low-income
19 families as defined by the education data center in RCW 43.41.400.
20 For the purposes of designing, developing, and implementing the
21 program, the council shall partner with a national entity that offers
22 aptitude tests and shall consult with institutions of higher
23 education with a physical location in Washington. The council shall
24 implement the program no later than fall 2016, giving consideration
25 to spring mailings in order to capture early action decisions offered
26 by institutions of higher education and nonprofit baccalaureate
27 degree-granting institutions. The information packet for students
28 must include at a minimum:

29 (a) Materials that help students to choose colleges;

30 (b) An application guidance booklet;

31 (c) Application fee waivers, if available, for four-year
32 institutions of higher education and independent nonprofit
33 baccalaureate degree-granting institutions in the state that enable
34 students receiving a packet to apply without paying application fees;

35 (d) Information on college affordability and financial aid that
36 includes information on the net cost of attendance for each four-year
37 institution of higher education and each nonprofit baccalaureate
38 degree-granting institution, and information on merit and need-based
39 aid from federal, state, and institutional sources; and

(e) A personally addressed cover letter signed by the governor and the president of each four-year institution of higher education and nonprofit baccalaureate degree-granting institution in the state.

(12) \$1,000,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of House Bill No. 1452 (opportunity scholarship program). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(13) \$4,000,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Fourth Substitute House Bill No. 1827 (educator workforce supply). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 610. 2017 3rd sp.s. c 1 s 614 (uncodified) is amended to read as follows:

FOR THE WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund—State Appropriation (FY 2018)	.. . . .	(((\$1,881,000)))
		<u>\$1,845,000</u>
General Fund—State Appropriation (FY 2019)	.. . . .	(((\$1,795,000)))
		<u>\$1,833,000</u>
General Fund—Federal Appropriation	.. . . .	\$55,279,000
General Fund—Private/Local Appropriation	.. . . .	\$208,000
<u>Pension Funding Stabilization Account—State</u>		
<u>Appropriation.</u>	.. . . .	<u>\$176,000</u>
TOTAL APPROPRIATION.	.. . . .	(((\$59,163,000)))
		<u>\$59,341,000</u>

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

1 workforce shortages and to meet the increased demand for services
 2 now, and with the integration of behavioral health and primary care
 3 in 2020. The analysis and recommended action plan shall align with
 4 the recommendations of the adult behavioral health system task force
 5 and related work of the healthier Washington initiative. The board
 6 shall consider workforce data, gaps, distribution, pipeline,
 7 development, and infrastructure, including innovative high school,
 8 postsecondary, and postgraduate programs to evolve, align, and
 9 respond accordingly to our state's behavioral health and related and
 10 integrated primary care workforce needs. The board will continue its
 11 work and submit final recommendations in calendar year 2017.

12 (3) \$22,000 of the general fund—state appropriation for fiscal
 13 year 2018 is provided solely for implementation of chapter 154, Laws
 14 of 2017 (SSB 5022) (education loan information).

15 (4) \$114,000 of the general fund—state appropriation for fiscal
 16 year 2018 and \$57,000 of the general fund—state appropriation for
 17 fiscal year 2019 are provided solely for implementation of chapter
 18 182, Laws of 2017 (2SSB 5285) (workforce employment sectors study).

19 (5) \$125,000 of the general fund—state appropriation for fiscal
 20 year 2019 is provided solely for work associated with the work-
 21 integrated learning strategic plan in section 501(59) of this act.

22 **Sec. 611.** 2017 3rd sp.s. c 1 s 615 (uncodified) is amended to
 23 read as follows:

24 **FOR THE DEPARTMENT OF EARLY LEARNING**

25	General Fund—State Appropriation (FY 2018)	((\$119,174,000))
26		<u>\$116,775,000</u>
27	General Fund—Federal Appropriation	\$171,032,000
28	Education Legacy Trust Account—State Appropriation	\$14,091,000
29	Home Visiting Services Account—State Appropriation	\$3,133,000
30	Home Visiting Services Account—Federal Appropriation . . .	\$12,153,000
31	WA Opportunity Pathways Account—State Appropriation . . .	\$40,000,000
32	<u>Pension Funding Stabilization Account—State</u>	
33	<u>Appropriation.</u>	<u>\$468,000</u>
34	TOTAL APPROPRIATION.	((\$359,583,000))
35		<u>\$357,652,000</u>

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

1 (1) \$58,185,000 of the general fund—state appropriation for
2 fiscal year 2018, \$12,125,000 of the education legacy trust account—
3 state appropriation, and \$40,000,000 of the opportunity pathways
4 account appropriation are provided solely for the early childhood
5 education and assistance program. These amounts shall support at
6 least 12,491 slots in fiscal year 2018.

7 (2) \$200,000 of the general fund—state appropriation for fiscal
8 year 2018 is provided solely to develop and provide culturally
9 relevant supports for parents, family, and other caregivers.

10 (3)(a) The department is the lead agency for and recipient of the
11 federal child care and development fund grant. Amounts within this
12 grant shall be used to fund child care licensing, quality
13 initiatives, agency administration, and other costs associated with
14 child care subsidies. The department shall transfer a portion of this
15 grant to the department of social and health services to fund the
16 child care subsidies paid by the department of social and health
17 services on behalf of the department of early learning.

18 (b)(i) If the department receives additional federal child care
19 and development funding while the legislature is not in session, the
20 department shall request a federal allotment adjustment through the
21 unanticipated receipts process defined in RCW 43.79.270 and shall
22 prioritize its request based on the following priorities:

23 (A) Increasing child care rates comparable to market rates based
24 on the most recent market survey;

25 (B) Increasing access to infant and toddler child care;

26 (C) Increasing access to child care in geographic areas where
27 supply for subsidized child care does not meet the demand; and

28 (D) Providing nurse consultation services to licensed providers.

29 (ii) The secretary of the department shall consult with the
30 chairs and ranking members of the appropriate policy committees of
31 the legislature prior to submitting the unanticipated receipt.

32 (4)(a) (~~(\$76,650,000)~~) \$77,253,000 of the general fund—federal
33 appropriation is provided solely for the working connections child
34 care program under RCW 43.215.135. In order to not exceed the
35 appropriated amount, the department shall manage the program so that
36 the average monthly caseload does not exceed 33,000 households. The
37 department shall give prioritized access into the program according
38 to the following order:

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

3 (ii) TANF families curing sanction;

4 (iii) Foster children;

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

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

10 (vi) Families with a child residing with a biological parent or
11 guardian who have received child protective services, child welfare
12 services, or a family assessment response from the department of
13 social and health services in the past six months, and has received a
14 referral for child care as part of the family's case management; and

15 (vii) Families that received subsidies within the last thirty
16 days and:

17 (A) Have reapplied for subsidies; and

18 (B) Have household income of two hundred percent federal poverty
19 level or below; and

20 (viii) All other eligible families.

21 (b) The department of early learning and the department of social
22 and health services must take immediate action to reduce fraud and
23 overpayments in the working connections child care program. By
24 December 1, 2017, the department must adopt rules to:

25 (i) Require verification of the applicant's household composition
26 in determining eligibility for the working connections child care
27 program. At a minimum, the department of social and health services
28 must consult agency records for the temporary assistance for needy
29 families program, food assistance, medical assistance, and child
30 support enforcement to verify the applicant's household composition
31 and other applicable eligibility criteria whenever possible. In cases
32 where only one parent's name appears on the application and the
33 department of social and health services cannot verify an open child
34 support case or verify household composition through internal agency
35 records, then the applicant must:

36 (A) Provide the name and address of the other parent or indicate,
37 under penalty of perjury, that the other parent's identity or address
38 are unknown to the applicant; and

39 (B) Document the presence or absence of the other parent through
40 acceptable documentation as defined by the department in rule.

1 The department must exempt an applicant from providing
2 information about the other parent if the department of social and
3 health services determines the applicant has good cause not to
4 cooperate. For the purposes of this subsection, "good cause" must
5 include, at a minimum, consideration of the safety of domestic
6 violence victims;

7 (ii) Authorize working connections child care payments to
8 licensed and certified providers and in-home relative child care
9 providers serving eligible consumers who participate in one hundred
10 ten hours or more of approved work or related activities per calendar
11 month within the following categories: (A) Full day care for a non-
12 school-age child, (B) half-day care for a school-age child during the
13 school year, and (C) full day care for a school-age child during
14 school holidays;

15 (iii) Define the occurrence of fraud, an intentional program
16 violation, an unintentional program violation and an administrative
17 error;

18 (iv) Outline the administrative process for determining fraud or
19 an intentional program violation; and

20 (v) Define the progressive disqualification process for providers
21 who commit fraud or intentional program violation(s).

22 (c) The department, in collaboration with the department of
23 social and health services, must submit a preliminary report by
24 December 1, 2017, and a final report by December 1, 2018, to the
25 governor and the appropriate fiscal and policy committees of the
26 legislature on quality control measures for the working connections
27 child care program. The reports must each include:

28 (i) A detailed narrative of the procurement and implementation of
29 an improved time and attendance system, including a detailed
30 accounting of the costs of procurement and implementation;

31 (ii) A comprehensive description of all processes, including
32 computer algorithms and additional rule development, that the
33 department and the department of social and health services plan to
34 establish prior to and after full implementation of the time and
35 attendance system. At a minimum, processes must be designed to:

36 (A) Ensure the department's auditing efforts are informed by
37 regular and continuous alerts of the potential for overpayments;

38 (B) Avoid overpayments to the maximum extent possible and
39 expediently recover overpayments that have occurred;

1 (C) Withhold payment from providers when necessary to incentivize
2 receipt of the necessary documentation to complete an audit;

3 (D) Establish methods for reducing future payments or
4 establishing repayment plans in order to recover any overpayments;

5 (E) Sanction providers, including termination of eligibility, who
6 commit intentional program violations or fail to comply with program
7 requirements, including compliance with any established repayment
8 plans;

9 (F) Consider pursuit of prosecution in cases with fraudulent
10 activity; and

11 (iii) A description of the process by which fraud is identified
12 and how fraud investigations are prioritized and expedited.

13 (d) Beginning July 1, 2018, and annually thereafter, the
14 department, in collaboration with the department of social and health
15 services, must report to the governor and the appropriate fiscal and
16 policy committees of the legislature on the status of overpayments in
17 the working connections child care program. The report must include
18 the following information for the previous fiscal year:

19 (i) A summary of the number of overpayments that occurred;

20 (ii) The reason for each overpayment;

21 (iii) The total cost of overpayments;

22 (iv) A comparison to overpayments that occurred in the past two
23 preceding fiscal years; and

24 (v) Any planned modifications to internal processes that will
25 take place in the coming fiscal year to further reduce the occurrence
26 of overpayments.

27 (5) Within available amounts, the department in consultation with
28 the office of financial management and the department of social and
29 health services shall report enrollments and active caseload for the
30 working connections child care program to the legislative fiscal
31 committees and the legislative-executive WorkFirst oversight task
32 force on an agreed upon schedule. The report shall also identify the
33 number of cases participating in both temporary assistance for needy
34 families and working connections child care. The department must also
35 report on the number of children served through contracted slots.

36 (6) \$1,560,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$6,712,000 of the general fund—federal appropriation
38 are provided solely for the seasonal child care program. If federal
39 sequestration cuts are realized, cuts to the seasonal child care

1 program must be proportional to other federal reductions made within
2 the department.

3 (7) \$4,674,000 of the general fund—state appropriation for fiscal
4 year 2018 is provided solely for the early childhood intervention
5 prevention services (ECLIPSE) program. The department shall contract
6 for ECLIPSE services to provide therapeutic child care and other
7 specialized treatment services to abused, neglected, at-risk, and/or
8 drug-affected children. Priority for services shall be given to
9 children referred from the department of social and health services
10 children's administration.

11 (8) (~~(\$44,663,000)~~) \$42,707,000 of the general fund—state
12 appropriation for fiscal year 2018 and \$13,954,000 of the general
13 fund—federal appropriation are provided solely to maintain the
14 requirements set forth in chapter 7, Laws of 2015 3rd sp. sess. The
15 department shall place a ten percent administrative overhead cap on
16 any contract entered into with the University of Washington. In its
17 annual report to the governor and the legislature, the department
18 shall report the total amount of funds spent on the quality rating
19 and improvements system and the total amount of funds spent on degree
20 incentives, scholarships, and tuition reimbursements. Of the amounts
21 provided in this subsection, \$386,000 of the general fund—state
22 appropriation for fiscal year 2018 is provided solely for a six
23 percent base rate increase for child care center providers.

24 (9) \$1,728,000 of the general fund—state appropriation for fiscal
25 year 2018 is provided solely for reducing barriers for low-income
26 providers to participate in the early achievers program.

27 (10) \$300,000 of the general fund—state appropriation for fiscal
28 year 2018 is provided solely for a contract with a nonprofit entity
29 experienced in the provision of promoting early literacy for children
30 through pediatric office visits.

31 (11) \$2,000,000 of the education legacy trust account—state
32 appropriation is provided solely for early intervention assessment
33 and services.

34 (12) \$7,979,000 of the general fund—federal appropriation for
35 fiscal year 2018 is provided solely for the department to procure a
36 time and attendance system and are subject to the conditions,
37 limitations, and review provided in section 724 of this act.

38 (13) Information technology projects or investments and proposed
39 projects or investments impacting time capture, payroll and payment

1 processes and systems, eligibility, case management and authorization
2 systems within the department of early learning are subject to
3 technical oversight by the office of the chief information officer.
4 The department must collaborate with the office of the chief
5 information officer to develop a strategic business and technology
6 architecture plan for a child care attendance and billing system that
7 supports a statewide architecture.

8 (14)(a)(i) The department of early learning is required to
9 provide to the education research and data center, housed at the
10 office of financial management, data on all state-funded early
11 childhood programs. These programs include the early support for
12 infants and toddlers, early childhood education and assistance
13 program (ECEAP), and the working connections and seasonal subsidized
14 childcare programs including license exempt facilities or family,
15 friend, and neighbor care. The data provided by the department to the
16 education research data center must include information on children
17 who participate in these programs, including their name and date of
18 birth, and dates the child received services at a particular
19 facility.

20 (ii) ECEAP early learning professionals must enter any new
21 qualifications into the department's professional development
22 registry starting in the 2015-16 school year, and every school year
23 thereafter. By October 2017, and every October thereafter, the
24 department must provide updated ECEAP early learning professional
25 data to the education research data center.

26 (iii) The department must request federally funded head start
27 programs to voluntarily provide data to the department and the
28 education research data center that is equivalent to what is being
29 provided for state-funded programs.

30 (iv) The education research and data center must provide an
31 updated report on early childhood program participation and K-12
32 outcomes to the house of representatives appropriations committee and
33 the senate ways and means committee using available data by November
34 2017 for the school year ending in 2016 and again in March 2018 for
35 the school year ending in 2017.

36 (b) The department, in consultation with the department of social
37 and health services, must withhold payment for services to early
38 childhood programs that do not report on the name, date of birth, and
39 the dates a child received services at a particular facility.

1 (15) The department shall work with state and local law
2 enforcement, federally recognized tribal governments, and tribal law
3 enforcement to develop a process for expediting fingerprinting and
4 data collection necessary to conduct background checks for tribal
5 early learning and child care providers.

6 (16) \$2,651,000 of the general fund—state appropriation for
7 fiscal year 2018 is provided solely for the 2017-2019 collective
8 bargaining agreement covering family child care providers as set
9 forth in section 940 of this act. Funding is contingent upon
10 enactment of Senate Bill No. 5969 (transparency in public employee
11 collective bargaining). If the bill is not enacted by July 31, 2017,
12 the amount provided in this subsection shall lapse. Of the amounts
13 provided in this subsection:

14 (a) \$273,000 is for a base rate increase;

15 (b) \$55,000 is for increasing paid professional development days
16 from three days to five days;

17 (c) \$1,708,000 is for the family child care providers 501c3
18 organization for the substitute pool, training and quality
19 improvement support services, and administration;

20 (d) \$114,000 is for increasing licensing incentive payments; and

21 (e) \$500,000 is for needs based grants.

22 (17) \$175,000 of the general fund—state appropriation for fiscal
23 year 2018 is provided solely for the department to contract with a
24 nonprofit entity that provides quality improvement services to
25 participants in the early achievers program to implement a community-
26 based training module that supports licensed child care providers who
27 have been rated in early achievers and who are specifically
28 interested in serving children in the early childhood education and
29 assistance program. The module must be functionally translated into
30 Spanish and Somali. The module must prepare trainees to administer
31 all aspects of the early childhood education and assistance program
32 for eligible children in their licensed program and must be offered
33 to 105 child care providers to serve children eligible for the early
34 childhood education and assistance program by June 30, 2019.

35 (18) \$750,000 of the general fund—state appropriation for fiscal
36 year 2018 is provided solely for the implementation of the early
37 achievers expanded learning opportunity quality initiative pursuant
38 to RCW 43.215.100(3)(d).

1 (19) \$267,000 of the general fund—state appropriation for fiscal
2 year 2018 is provided solely for implementation of chapter 236, Laws
3 of 2017 (SHB 1445) (dual language in early learning & K-12).

4 (20) \$100,000 of the general fund—state appropriation for fiscal
5 year 2018 is provided solely for implementation of chapter 202, Laws
6 of 2017 (E2SHB 1713) (children's mental health).

7 (21) \$5,000 of the general fund—state appropriation for fiscal
8 year 2018 is provided solely for a child care workforce development
9 technical work group to develop recommendations to support increased
10 child care workforce wages, reduce turnover, enable child care
11 providers to recruit more qualified educators, and maintain the
12 diversity of the current workforce.

13 (a) The department shall convene and provide staff support for
14 the technical work group. The department shall consult with advocates
15 and stakeholders of the early learning workforce when selecting
16 members for the technical work group. Membership of the work group
17 must consist of representatives from the following organizations and
18 entities:

- 19 (i) The statewide child care resource and referral network;
- 20 (ii) The department;
- 21 (iii) The department of commerce;
- 22 (iv) The economic opportunity institute;
- 23 (v) A coalition of organizations representing nonprofits,
24 professional associations, businesses, and industries in early
25 learning;
- 26 (vi) The state board for community and technical colleges;
- 27 (vii) A union representing child care workers;
- 28 (viii) The small business administration;
- 29 (ix) A member consisting of either an economist or a
30 representative of the workforce development councils;
- 31 (x) A representative from an early childhood education and
32 assistance program;
- 33 (xi) A representative from a nonprofit child care center;
- 34 (xii) A representative from a private child care center; and
- 35 (xiii) A representative from an organization that provides
36 culturally responsive services for early learning programs in
37 communities with high numbers of families whose primary language is
38 not English.

1 (b) Members of the work group may be reimbursed for travel
2 expenses as provided in RCW 43.03.050 and 43.03.060. Funding in this
3 subsection is provided solely for travel reimbursement of work group
4 members and other costs to conduct the meetings. Funding provided in
5 this subsection may not be used to contract for facilitation.

6 (c) The work group shall issue a report with recommendations and
7 an implementation plan to the governor and appropriate committees of
8 the legislature by December 1, 2018.

9 (22) \$317,000 of the general fund—state appropriation for fiscal
10 year 2018 is provided solely for implementation of chapter 162, Laws
11 of 2017 (SSB 5357) (outdoor early learning programs).

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

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

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

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

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

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

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

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

1 **Sec. 612.** 2017 3rd sp.s. c 1 s 616 (uncodified) is amended to
 2 read as follows:

3 **FOR THE STATE SCHOOL FOR THE BLIND**

4	General Fund—State Appropriation (FY 2018)	. . . . .	((\$6,976,000))
5			<u>\$6,924,000</u>
6	General Fund—State Appropriation (FY 2019)	. . . . .	((\$7,427,000))
7			<u>\$7,529,000</u>
8	General Fund—Private/Local Appropriation	. . . . .	\$34,000
9	<u>Pension Funding Stabilization Account—State</u>		
10	<u>Appropriation.</u>		<u>\$591,000</u>
11	TOTAL APPROPRIATION.	. . . . .	((\$14,437,000))
12			<u>\$15,078,000</u>

13 The appropriations in this section are subject to the following
 14 conditions and limitations: Funding provided in this section is
 15 sufficient for the school to offer to students enrolled in grades
 16 nine through twelve for full-time instructional services at the
 17 Vancouver campus with the opportunity to participate in a minimum of
 18 one thousand eighty hours of instruction and the opportunity to earn
 19 twenty-four high school credits.

20 **Sec. 613.** 2017 3rd sp.s. c 1 s 617 (uncodified) is amended to
 21 read as follows:

22 **FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING**
 23 **LOSS**

24	General Fund—State Appropriation (FY 2018)	. . . . .	((\$10,646,000))
25			<u>\$10,290,000</u>
26	General Fund—State Appropriation (FY 2019)	. . . . .	((\$11,679,000))
27			<u>\$11,616,000</u>
28	<u>Pension Funding Stabilization Account—State</u>		
29	<u>Appropriation.</u>		<u>\$727,000</u>
30	TOTAL APPROPRIATION.	. . . . .	((\$22,325,000))
31			<u>\$22,633,000</u>

32 The appropriations in this section are subject to the following
 33 conditions and limitations: Funding provided in this section is
 34 sufficient for the center to offer to students enrolled in grades
 35 nine through twelve for full-time instructional services at the
 36 Vancouver campus with the opportunity to participate in a minimum of
 37 one thousand eighty hours of instruction and the opportunity to earn
 38 twenty-four high school credits.

1 **Sec. 614.** 2017 3rd sp.s. c 1 s 618 (uncodified) is amended to
2 read as follows:

3 **FOR THE WASHINGTON STATE ARTS COMMISSION**

4	General Fund—State Appropriation (FY 2018)	. . . . .	((\$1,497,000))
5			<u>\$1,417,000</u>
6	General Fund—State Appropriation (FY 2019)	. . . . .	((\$1,514,000))
7			<u>\$1,567,000</u>
8	General Fund—Federal Appropriation	. . . . .	\$2,124,000
9	General Fund—Private/Local Appropriation	. . . . .	((\$16,000))
10			<u>\$50,000</u>
11	<u>Pension Funding Stabilization Account—State</u>		
12	<u>Appropriation.</u>	. . . . .	\$122,000
13	TOTAL APPROPRIATION.	. . . . .	((\$5,151,000))
14			<u>\$5,280,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations: ((~~\$78,000~~)) \$58,000 of the general fund—
17 state appropriation for fiscal year 2018 and ((~~\$78,000~~)) \$98,000 of
18 the general fund—state appropriation for fiscal year 2019 are
19 provided solely to implement chapter 240, Laws of 2017 (creative
20 districts).

21 **Sec. 615.** 2017 3rd sp.s. c 1 s 619 (uncodified) is amended to
22 read as follows:

23 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

24	General Fund—State Appropriation (FY 2018)	. . . . .	((\$2,505,000))
25			<u>\$2,447,000</u>
26	General Fund—State Appropriation (FY 2019)	. . . . .	((\$2,603,000))
27			<u>\$2,789,000</u>
28	<u>Pension Funding Stabilization Account—State</u>		
29	<u>Appropriation.</u>	. . . . .	\$230,000
30	TOTAL APPROPRIATION.	. . . . .	((\$5,108,000))
31			<u>\$5,466,000</u>

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

34 (1) \$96,000 of the general fund—state appropriation for fiscal
35 year 2019 is provided solely for the implementation of Substitute
36 House Bill No. 2288 (history day program). If the bill is not enacted
37 by June 30, 2018, the amount provided in this subsection shall lapse.

1 (2) The Washington state historical society must transfer the
 2 management and operations of the historic Lord mansion in Olympia to
 3 The Evergreen State College by July 1, 2018. The department of
 4 enterprise services must facilitate and approve the transfer. If the
 5 Lord mansion management and operations are not transferred to The
 6 Evergreen State College by June 30, 2019, then the department of
 7 enterprise services must begin administering the management and
 8 operations of the property on July 1, 2019.

9 **Sec. 616.** 2017 3rd sp.s. c 1 s 620 (uncodified) is amended to
 10 read as follows:

11 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

12	General Fund—State Appropriation (FY 2018)	. . . . .	((\$1,991,000)
13			<u>\$1,925,000</u>
14	General Fund—State Appropriation (FY 2019)	. . . . .	((\$2,044,000)
15			<u>\$2,091,000</u>
16	<u>Pension Funding Stabilization Account—State</u>		
17	<u>Appropriation.</u>	. . . . .	\$213,000
18	TOTAL APPROPRIATION.	. . . . .	((\$4,035,000)
19			<u>\$4,229,000</u>

(End of part)

PART VII

SPECIAL APPROPRIATIONS

Sec. 701. 2017 3rd sp.s. c 1 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

Table with 2 columns: Description and Amount. Rows include General Fund—State Appropriation (FY 2018), General Fund—State Appropriation (FY 2019), State Building Construction Account—State Appropriation, Columbia River Basin Water Supply—State Appropriation, State Taxable Building Construction Account—State Appropriation, Debt-Limit Reimbursable Bond Retire Account—State Appropriation, and TOTAL APPROPRIATION.

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account.

Sec. 702. 2017 3rd sp.s. c 1 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

Table with 2 columns: Description and Amount. Rows include General Fund—State Appropriation (FY 2018), General Fund—State Appropriation (FY 2019), State Building Construction Account—State Appropriation, Columbia River Basin Water Supply—State Appropriation, Columbia River Basin Taxable Bond Water Supply—State Appropriation, and State Taxable Building Construction Account—State Appropriation.

1 TOTAL APPROPRIATION. (~~(\$5,214,000)~~)
2 \$5,213,000

3 NEW SECTION. **Sec. 703.** A new section is added to 2017 3rd sp.s.
4 c 1 (uncodified) to read as follows:

5 **FOR SUNDRY CLAIMS**

6 The following sums, or so much thereof as may be necessary, are
7 appropriated from the general fund for fiscal year 2018, unless
8 otherwise indicated, for relief of various individuals, firms, and
9 corporations for sundry claims.

10 (1) These appropriations are to be disbursed on vouchers approved
11 by the director of the department of enterprise services, except as
12 otherwise provided, for reimbursement of criminal defendants
13 acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as
14 follows:

- 15 (a) John Weiler, claim number 99970144. \$7,975
- 16 (b) Samson Asfaw, claim number 99970145. \$18,873
- 17 (c) Kevon Turner, claim number 99970147. \$9,750
- 18 (d) Arthur Eshe, claim number 99970148. \$12,900
- 19 (e) Woody J. Pierson, claim number 99970235. \$19,789

20 (2) These appropriations are to be disbursed on vouchers approved
21 by the director of the department of enterprise services, except as
22 otherwise provided, for payment of compensation for wrongful
23 convictions pursuant to RCW 4.100.060, as follows:

24 Robert Larson, Tyler Gassman, and Paul Statler, claim numbers
25 99970072-99970074. \$79,000

26 **Sec. 704.** 2017 3rd sp.s. c 1 s 708 (uncodified) is amended to
27 read as follows:

28 **FOR THE STATE TREASURER—COUNTY PUBLIC HEALTH ASSISTANCE**

29 General Fund—State Appropriation (FY 2018) \$36,386,000
30 General Fund—State Appropriation (FY 2019) \$36,386,000
31 TOTAL APPROPRIATION. \$72,772,000

32 The appropriations in this section are subject to the following
33 conditions and limitations: The state treasurer shall distribute the
34 appropriations to the following counties and health districts in the
35 amounts designated to support public health services, including
36 public health nursing:

	FY 2018	FY 2019	2017-2019 Biennium
1 Health District			
2			
3 ((Adams County Health District)) <u>Adams County</u>	\$121,213	\$121,213	\$242,426
4 <u>Integrated Health Care Services</u>			
5 Asotin County Health District	\$159,890	\$159,890	\$319,780
6 Benton-Franklin Health District	\$1,614,337	\$1,614,337	\$3,228,674
7 Chelan-Douglas Health District	\$399,634	\$399,634	\$799,268
8 Clallam County Health and Human Services Department	\$291,401	\$291,401	\$582,802
9 ((Clark County Health District)) <u>Clark County Public</u>	\$1,767,341	\$1,767,341	\$3,534,682
10 <u>Health</u>			
11 ((Skamania County Health Department)) <u>Skamania</u>	\$111,327	\$111,327	\$222,654
12 <u>County Community Health</u>			
13 ((Columbia County Health District)) <u>Columbia County</u>	\$119,991	\$119,991	\$239,982
14 <u>Public Health</u>			
15 ((Cowlitz County Health Department)) <u>Cowlitz County</u>	\$477,981	\$477,981	\$955,962
16 <u>Health and Human Services</u>			
17 Garfield County Health District	\$93,154	\$93,154	\$186,308
18 Grant County Health District	\$297,761	\$297,761	\$595,522
19 ((Grays Harbor Health Department)) <u>Grays Harbor</u>	\$335,666	\$335,666	\$671,332
20 <u>Public Health and Social Services</u>			
21 ((Island County Health Department)) <u>Island County</u>	\$255,224	\$255,224	\$510,448
22 <u>Public Health</u>			
23 ((Jefferson County Health and Human Services))	\$184,080	\$184,080	\$368,160
24 <u>Jefferson County Public Health</u>			
25 ((Seattle King County Department of Public Health))	\$12,685,521	\$12,685,521	\$25,371,042
26 <u>Public Health - Seattle & King County</u>			
27 ((Bremerton Kitsap County Health District)) <u>Kitsap</u>	\$997,476	\$997,476	\$1,994,952
28 <u>Public Health District</u>			
29 ((Kittitas County Health Department)) <u>Kittitas County</u>	\$198,979	\$198,979	\$397,958
30 <u>Public Health</u>			
31 ((Klickitat County Health Department)) <u>Klickitat</u>	\$153,784	\$153,784	\$307,568
32 <u>County Public Health</u>			
33 ((Lewis County Health Department)) <u>Lewis County</u>	\$263,134	\$263,134	\$526,268
34 <u>Public Health and Social Services</u>			
35 Lincoln County Health Department	\$113,917	\$113,917	\$227,834

1	((Mason County Department of Health Services))	\$227,448	\$227,448	\$454,896
2	<u>Mason County Public Health and Human Services</u>			
3	((Okanogan County Health District)) <u>Okanogan County</u>	\$169,882	\$169,882	\$339,764
4	<u>Public Health</u>			
5	((Pacific County Health Department)) <u>Pacific County</u>	\$169,075	\$169,075	\$338,150
6	<u>Health and Human Services</u>			
7	Tacoma-Pierce County Health Department	\$4,143,169	\$4,143,169	\$8,286,338
8	San Juan County Health and Community Services	\$126,569	\$126,569	\$253,138
9	((Skagit County Health Department)) <u>Skagit County</u>	\$449,745	\$449,745	\$899,490
10	<u>Public Health</u>			
11	Snohomish Health District	\$3,433,291	\$3,433,291	\$6,866,582
12	((Spokane County Health District)) <u>Spokane Regional</u>	\$2,877,318	\$2,877,318	\$5,754,636
13	<u>Health District</u>			
14	Northeast Tri-County Health District	\$249,303	\$249,303	\$498,606
15	((Thurston County Health Department)) <u>Thurston</u>	\$1,046,897	\$1,046,897	\$2,093,794
16	<u>County Public Health and Social Services</u>			
17	((Wahkiakum County Health Department)) <u>Wahkiakum</u>	\$93,181	\$93,181	\$186,362
18	<u>County Health and Human Services</u>			
19	((Walla Walla County-City Health Department)) <u>Walla</u>	\$302,173	\$302,173	\$604,346
20	<u>Walla County Department of Community Health</u>			
21	Whatcom County Health Department	\$1,214,301	\$1,214,301	\$2,428,602
22	((Whitman County Health Department)) <u>Whitman</u>	\$189,355	\$189,355	\$378,710
23	<u>County Public Health</u>			
24	Yakima Health District	\$1,052,482	\$1,052,482	\$2,104,964
25	TOTAL APPROPRIATIONS	\$36,386,000	\$36,386,000	\$72,772,000

26 **Sec. 705.** 2017 3rd sp.s. c 1 s 720 (uncodified) is amended to
27 read as follows:

28 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—ANDY HILL CANCER RESEARCH**
29 **ENDOWMENT FUND MATCH TRANSFER ACCOUNT**

30	General Fund—State Appropriation (FY 2018)	\$5,000,000
31	TOTAL APPROPRIATION.	\$5,000,000

32 The appropriations in this section are subject to the following
33 conditions and limitations: The appropriation in this section is
34 provided solely for expenditure into the Andy Hill cancer research

1 endowment fund match transfer account per RCW 43.348.080 to fund the
2 cancer research endowment program.

3 **Sec. 706.** 2017 3rd sp.s. c 1 s 722 (uncodified) is amended to
4 read as follows:

5 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—HEALTH PROFESSIONS ACCOUNT**
6 Dedicated Marijuana Account—State Appropriation
7 (FY 2018) (~~(\$352,000)~~)
8 \$2,652,000
9 Dedicated Marijuana Account—State Appropriation
10 (FY 2019) \$352,000
11 TOTAL APPROPRIATION. (~~(\$704,000)~~)
12 \$3,004,000

13 The appropriations in this section are subject to the following
14 conditions and limitations: The appropriations are provided solely
15 for expenditure into the health professions account to reimburse the
16 account for costs incurred by the department of health for the
17 development and administration of the marijuana authorization
18 database.

19 **Sec. 707.** 2017 3rd sp.s. c 1 s 721 (uncodified) is amended to
20 read as follows:

21 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—HOME VISITING SERVICES ACCOUNT**
22 General Fund—State Appropriation (FY 2018) \$691,000
23 General Fund—State Appropriation (FY 2019) (~~(\$744,000)~~)
24 \$3,043,000
25 TOTAL APPROPRIATION. (~~(\$1,435,000)~~)
26 \$3,734,000

27 The appropriations in this section are subject to the following
28 conditions and limitations: The appropriations are provided solely
29 for expenditure into the home visiting services account for the home
30 visiting program.

31 **Sec. 708.** 2017 3rd sp.s. c 1 s 723 (uncodified) is amended to
32 read as follows:

33 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—LEASE COST POOL**
34 General Fund—State Appropriation (FY 2018) \$9,712,000
35 General Fund—State Appropriation (FY 2019). \$8,000,000

1 General Fund—Federal Appropriation \$2,431,000
2 TOTAL APPROPRIATION. ((~~\$12,143,000~~))
3 \$20,143,000

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

6 (1) The appropriations in this section are provided solely for
7 expenditure into the state agency office relocation pool account
8 created in section 949 of this act for state agency office relocation
9 costs as shown in LEAP omnibus document ((~~LEAS-2017~~)) LEAS-2018,
10 dated ((~~March 14, 2017~~)) February 20, 2018, which is hereby
11 incorporated by reference. To facilitate the transfer of moneys from
12 other funds and accounts that are associated with office relocations
13 contained in LEAP omnibus document LEAS-2017, dated March 14, 2017,
14 the state treasurer is directed to transfer moneys from other funds
15 and accounts in an amount not to exceed \$2,431,000 to the lease cost
16 pool in accordance with schedules provided by the office of financial
17 management.

18 (2) Agencies may apply to the office of financial management to
19 receive funds from the state agency office relocation pool account in
20 an amount not to exceed the actual costs for the office relocations.

21 NEW SECTION. **Sec. 709.** The following acts or parts of acts are
22 each repealed:

- 23 (1) 2017 3rd sp.s. c 1 s 726 (uncodified);
- 24 (2) 2017 3rd sp.s. c 1 s 727 (uncodified);
- 25 (3) 2017 3rd sp.s. c 1 s 728 (uncodified);
- 26 (4) 2017 3rd sp.s. c 1 s 729 (uncodified);
- 27 (5) 2017 3rd sp.s. c 1 s 730 (uncodified);
- 28 (6) 2017 3rd sp.s. c 1 s 731 (uncodified);
- 29 (7) 2017 3rd sp.s. c 1 s 732 (uncodified);
- 30 (8) 2017 3rd sp.s. c 1 s 733 (uncodified);
- 31 (9) 2017 3rd sp.s. c 1 s 734 (uncodified);
- 32 (10) 2017 3rd sp.s. c 1 s 735 (uncodified);
- 33 (11) 2017 3rd sp.s. c 1 s 736 (uncodified); and
- 34 (12) 2017 3rd sp.s. c 1 s 737 (uncodified).

35 NEW SECTION. **Sec. 710.** A new section is added to 2017 3rd sp.s.
36 c 1 (uncodified) to read as follows:

37 **PAID FAMILY LEAVE**

1	General Fund—State Appropriation (FY 2019)	\$1,013,000
2	General Fund—Federal Appropriation.	\$85,000
3	General Fund—Private/Local Appropriation.	\$7,000
4	Dedicated Funds and Accounts Appropriation.	\$221,000
5	TOTAL APPROPRIATION.	\$1,326,000

6 The appropriations in this section are subject to the following
7 conditions and limitations: Funding is provided for employer payment
8 of employee family and medical leave premiums as shown in LEAP
9 Document G2F 2018 dated February 15, 2018.

10 NEW SECTION. **Sec. 711.** A new section is added to 2017 3rd sp.s.
11 c 1 (uncodified) to read as follows:

12 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—SECRETARY OF STATE ARCHIVES**
13 **AND RECORDS MANAGEMENT**

14	General Fund—State Appropriation (FY 2018).	\$3,000
15	General Fund—State Appropriation (FY 2019).	\$4,000
16	General Fund—Federal Appropriation.	\$2,000
17	TOTAL APPROPRIATION.	\$9,000

18 The appropriations in this section are subject to the following
19 conditions and limitations: The appropriations in this section
20 reflect adjustments in agency appropriations related to corresponding
21 adjustments in the secretary of state's billing authority for
22 archives and records management. The office of financial management
23 shall adjust allotments in the amounts specified, and to the state
24 agencies specified in LEAP omnibus document 92C-2018, dated February
25 20, 2018, and adjust appropriation schedules accordingly.

26 NEW SECTION. **Sec. 712.** A new section is added to 2017 3rd sp.s.
27 c 1 (uncodified) to read as follows:

28 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—STATE AUDITOR AUDIT SERVICES**

29	General Fund—State Appropriation (FY 2018).	\$1,000
30	General Fund—State Appropriation (FY 2019).	\$4,000
31	General Fund—Federal Appropriation.	\$3,000
32	TOTAL APPROPRIATION.	\$8,000

33 The appropriations in this section are subject to the following
34 conditions and limitations: The appropriations in this section
35 reflect adjustments in agency appropriations related to corresponding
36 adjustments in the state auditor's billing authority for state agency

1 auditing services. The office of financial management shall adjust
2 allotments in the amounts specified, and to the state agencies
3 specified in LEAP omnibus document 92D-2018, dated February 20, 2018,
4 and adjust appropriation schedules accordingly.

5 NEW SECTION. **Sec. 713.** A new section is added to 2017 3rd sp.s.
6 c 1 (uncodified) to read as follows:

7 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—OFFICE OF ATTORNEY GENERAL**
8 **LEGAL SERVICES**

9	General Fund—State Appropriation (FY 2018).	\$112,000
10	General Fund—State Appropriation (FY 2019).	\$187,000
11	General Fund—Federal Appropriation.	\$32,000
12	General Fund—Private/Local Appropriation.	\$2,000
13	Other Appropriated Funds.	\$103,000
14	TOTAL APPROPRIATION.	\$436,000

15 The appropriations in this section are subject to the following
16 conditions and limitations: The appropriations in this section
17 reflect adjustments in agency appropriations related to corresponding
18 adjustments in the office of attorney general's billing authority for
19 legal services. The office of financial management shall adjust
20 allotments in the amounts specified, and to the state agencies
21 specified in LEAP omnibus document 92E-2018, dated February 20, 2018,
22 and adjust appropriation schedules accordingly.

23 NEW SECTION. **Sec. 714.** A new section is added to 2017 3rd sp.s.
24 c 1 (uncodified) to read as follows:

25 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—ADMINISTRATIVE HEARINGS**

26	General Fund—State Appropriation (FY 2018).	(\$37,000)
27	General Fund—State Appropriation (FY 2019).	(\$318,000)
28	General Fund—Federal Appropriation.	(\$259,000)
29	General Fund—Private/Local Appropriation.	\$27,000
30	Other Appropriated Funds.	\$2,646,000
31	TOTAL APPROPRIATION.	\$2,059,000

32 The appropriations in this section are subject to the following
33 conditions and limitations: The appropriations in this section
34 reflect adjustments in agency appropriations related to corresponding
35 adjustments in the office of administrative hearing's billing
36 authority. The office of financial management shall adjust allotments

1 in the amounts specified, and to the state agencies specified in LEAP
2 omnibus document 92G-2018, dated February 20, 2018, and adjust
3 appropriation schedules accordingly.

4 NEW SECTION. **Sec. 715.** A new section is added to 2017 3rd sp.s.
5 c 1 (uncodified) to read as follows:

6 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONSOLIDATED TECHNOLOGY**
7 **SERVICES CENTRAL SERVICES**

8	General Fund—State Appropriation (FY 2018).	\$453,000
9	General Fund—State Appropriation (FY 2019).	\$367,000
10	General Fund—Federal Appropriation.	\$245,000
11	General Fund—Private/Local Appropriation.	\$25,000
12	Other Appropriated Funds.	\$495,000
13	TOTAL APPROPRIATION.	\$1,585,000

14 The appropriations in this section are subject to the following
15 conditions and limitations: The appropriations in this section
16 reflect adjustments in agency appropriations related to corresponding
17 adjustments in the central technology services' billing authority.
18 The office of financial management shall adjust allotments in the
19 amounts specified, and to the state agencies specified in LEAP
20 omnibus document 92J-2018, dated February 20, 2018, and adjust
21 appropriation schedules accordingly.

22 NEW SECTION. **Sec. 716.** A new section is added to 2017 3rd sp.s.
23 c 1 (uncodified) to read as follows:

24 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—DEPARTMENT OF ENTERPRISE**
25 **SERVICES CENTRAL SERVICES**

26	General Fund—State Appropriation (FY 2018).	\$10,000
27	General Fund—State Appropriation (FY 2019).	\$538,000
28	General Fund—Federal Appropriation.	\$111,000
29	General Fund—Private/Local Appropriation.	\$20,000
30	Other Appropriated Funds.	\$349,000
31	TOTAL APPROPRIATION.	\$1,028,000

32 The appropriations in this section are subject to the following
33 conditions and limitations: The appropriations in this section
34 reflect adjustments in agency appropriations related to corresponding
35 adjustments in the department of enterprise services' billing
36 authority. The office of financial management shall adjust allotments

1 in the amounts specified, and to the state agencies specified in LEAP
2 omnibus document 92K-2018, dated February 20, 2018, and adjust
3 appropriation schedules accordingly.

4 NEW SECTION. **Sec. 717.** A new section is added to 2017 3rd sp.s.
5 c 1 (uncodified) to read as follows:

6 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—OFFICE OF FINANCIAL MANAGEMENT**
7 **CENTRAL SERVICES**

8	General Fund—State Appropriation (FY 2018).	\$3,000
9	General Fund—State Appropriation (FY 2019).	\$1,757,000
10	General Fund—Federal Appropriation.	\$452,000
11	General Fund—Private/Local Appropriation.	\$43,000
12	Other Appropriated Funds.	\$728,000
13	TOTAL APPROPRIATION.	\$2,983,000

14 The appropriations in this section are subject to the following
15 conditions and limitations: The appropriations in this section
16 reflect adjustments in agency appropriations related to new billing
17 authority for central service functions performed by the office of
18 financial management. The office of financial management shall adjust
19 allotments in the amounts specified, and to the state agencies
20 specified in LEAP omnibus document 92R-2018, dated February 20, 2018,
21 and adjust appropriation schedules accordingly.

22 NEW SECTION. **Sec. 718.** A new section is added to 2017 3rd sp.s.
23 c 1 (uncodified) to read as follows:

24 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONSOLIDATED TECHNOLOGY**
25 **SERVICES FEE FOR SERVICE ADJUSTMENT**

26	General Fund—State Appropriation (FY 2018).	\$282,000
27	General Fund—State Appropriation (FY 2019).	\$570,000
28	General Fund—Federal Appropriation.	\$228,000
29	General Fund—Private/Local Appropriation.	\$36,000
30	Other Appropriated Funds.	\$559,000
31	TOTAL APPROPRIATION.	\$1,675,000

32 The appropriations in this section are subject to the following
33 conditions and limitations: The appropriations in this section
34 reflect adjustments in agency appropriations related to corresponding
35 adjustments in the consolidated technology services' billing
36 authority. The office of financial management shall adjust allotments

1 in the amounts specified, and to the state agencies specified in LEAP
2 omnibus document GZC-2018, dated February 20, 2018, and adjust
3 appropriation schedules accordingly.

4 NEW SECTION. **Sec. 719.** A new section is added to 2017 3rd sp.s.
5 c 1 (uncodified) to read as follows:

6 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—DEPARTMENT OF ENTERPRISE**
7 **SERVICES RATE COMPENSATION ADJUSTMENTS**

8	General Fund—State Appropriation (FY 2018).	(\$5,000)
9	General Fund—State Appropriation (FY 2019).	\$572,000
10	General Fund—Federal Appropriation.	\$112,000
11	General Fund—Private/Local Appropriation.	\$15,000
12	Other Appropriated Funds.	\$298,000
13	TOTAL APPROPRIATION.	\$992,000

14 The appropriations in this section are subject to the following
15 conditions and limitations: The appropriations in this section
16 reflect adjustments in agency appropriations related to corresponding
17 adjustments in the department of enterprise services' billing
18 authority. The office of financial management shall adjust allotments
19 in the amounts specified, and to the state agencies specified in LEAP
20 omnibus document GZH-2018, dated February 20, 2018, and adjust
21 appropriation schedules accordingly.

22 NEW SECTION. **Sec. 720.** A new section is added to 2017 3rd sp.s.
23 c 1 (uncodified) to read as follows:

24 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—PUBLIC SAFETY EMPLOYEES'**
25 **RETIREMENT SYSTEM**

26	General Fund—State Appropriation (FY 2019)	\$2,900,000
27	Special Retirement Contribution Increase Revolving	
28	Account—State Appropriation.	(\$1,900,000)
29	TOTAL APPROPRIATION.	\$1,000,000

30 The appropriations in this section are subject to the following
31 conditions and limitations: The appropriations are provided solely
32 for allocation to state agencies for costs of revised eligibility
33 criteria for the public safety employees' retirement system as
34 provided in Substitute House Bill No. 1558 (public safety employees
35 retirement system membership). If the bill is not enacted by June 30,
36 2018, the appropriations in this section shall lapse.

1 NEW SECTION. **Sec. 721.** A new section is added to 2017 3rd sp.s.
2 c 1 (uncodified) to read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—PERS AND TRS PLANS 1 MINIMUM**
4 **BENEFITS**

5	General Fund—State Appropriation (FY 2019)	\$7,200,000
6	Special Retirement Contribution Increase Revolving	
7	Account—State Appropriation.	\$2,000,000
8	TOTAL APPROPRIATION.	\$9,200,000

9 The appropriations in this section are subject to the following
10 conditions and limitations: The appropriations are provided solely
11 for allocation to state agencies and school districts for costs of a
12 one-time, ongoing increase to the minimum benefit and the alternative
13 minimum benefit in the public employees' retirement system and the
14 teachers' retirement system plans 1. If a bill is not enacted by June
15 30, 2018, to implement the increase in these minimum benefits, the
16 appropriations in this section shall lapse.

17 NEW SECTION. **Sec. 722.** A new section is added to 2017 3rd sp.s.
18 c 1 (uncodified) to read as follows:

19 **COMPENSATION—STATE EMPLOYEES INSURANCE BENEFITS**

20	General Fund—State Appropriation (FY 2019)	(\$14,036,000)
21	General Fund—Federal Appropriation	(\$3,012,000)
22	General Fund—Private/Local Appropriation	(\$284,000)
23	Dedicated Funds and Accounts Appropriation	(\$7,242,000)
24	TOTAL APPROPRIATION.	(\$24,574,000)

25 The appropriations in this section are subject to the following
26 conditions and limitations: Funding is provided for state employee
27 health benefits for state agencies, including institutions of higher
28 education, and are subject to the conditions and limitations in
29 sections 903 and 904 of this act. Appropriations in this act for
30 state agencies, including institutions of higher education, are
31 increased by the amounts specified in LEAP omnibus document GLS 2018
32 dated February 15, 2018.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2017 3rd sp.s. c 1 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions.	((\$9,731,000))	<u>\$9,730,000</u>
General Fund Appropriation for prosecuting attorney distributions.	((\$6,786,000))	<u>\$6,643,000</u>
General Fund Appropriation for boating safety and education distributions.	\$4,000,000	
General Fund Appropriation for public utility district excise tax distributions.	((\$60,611,000))	<u>\$30,230,000</u>
Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies.	((\$3,556,000))	<u>\$3,135,000</u>
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution.	\$140,000	
Timber Tax Distribution Account Appropriation for distribution to "timber" counties.	((\$77,367,000))	<u>\$68,009,000</u>
County Criminal Justice Assistance Appropriation.	((\$96,145,000))	<u>\$93,628,000</u>
Municipal Criminal Justice Assistance Appropriation.	((\$38,126,000))	<u>\$36,908,000</u>
City-County Assistance Appropriation.	\$27,160,000	
Liquor Excise Tax Account Appropriation for liquor excise tax distribution.	\$56,058,000	
Streamlined Sales and Use Tax Mitigation Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistributions effect of sourcing law changes.	((\$20,012,000))	<u>\$20,549,000</u>
Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville		

1	Reservation.	\$8,074,000
2	Columbia River Water Delivery Account Appropriation	
3	for the Spokane Tribe of Indians.	\$5,402,000
4	Liquor Revolving Account Appropriation for liquor	
5	profits distribution.	\$98,876,000
6	General Fund Appropriation for other tax	
7	distributions.	\$80,000
8	General Fund Appropriation for Marijuana Excise	
9	Tax distributions.	((\$12,000,000))
10		<u>\$30,000,000</u>
11	General Fund Appropriation for Habitat Conservation	
12	Program distributions.	\$5,347,000
13	TOTAL APPROPRIATION.	((\$529,471,000))
14		<u>\$485,969,000</u>

15 The total expenditures from the state treasury under the
16 appropriations in this section shall not exceed the funds available
17 under statutory distributions for the stated purposes.

18 **Sec. 802.** 2017 3rd sp.s. c 1 s 805 (uncodified) is amended to
19 read as follows:

20 **FOR THE STATE TREASURER—TRANSFERS**

21 Criminal Justice Treatment Account: For transfer to
22 the state general fund, \$4,450,000 for fiscal
23 year 2018 and \$4,450,000 for fiscal year 2019. \$8,900,000
24 Dedicated Marijuana Account: For transfer to
25 the basic health plan trust account, the lesser
26 of the amount determined pursuant to RCW 69.50.540
27 or this amount plus \$40,494,000 for fiscal year
28 2018, ((~~\$170,000,000~~)) \$226,654,000 and this
29 amount for fiscal year 2019,
30 ((~~\$180,000,000~~)) \$194,000,000. ((~~\$350,000,000~~))
31 \$420,654,000

32 Dedicated Marijuana Account: For transfer to
33 the state general fund, the lesser of the amount
34 determined pursuant to RCW 69.50.540 or this amount
35 for fiscal year 2018, ((~~\$120,000,000~~)) \$130,000,000
36 and this amount for fiscal year 2019,
37 ((~~\$130,000,000~~)) \$137,000,000. ((~~\$239,239,000~~))
38 \$267,000,000

1 Aquatic Lands Enhancement Account: For transfer to
2 the clean up settlement account as repayment of
3 the loan provided in section 3022(2) chapter 2,
4 Laws of 2012, 2nd sp. sess. (ESB 6074 2012
5 supplemental capital budget), \$620,000 for fiscal
6 year 2018 and \$620,000 for fiscal year 2019. \$1,240,000
7 Tobacco Settlement Account: For transfer to the
8 state general fund, in an amount not to exceed the
9 actual amount of the annual base payment to the
10 tobacco settlement account for fiscal year 2018. . . \$101,639,000
11 Tobacco Settlement Account: For transfer to the
12 state general fund, in an amount not to exceed the
13 actual amount of the annual base payment to the
14 tobacco settlement account for fiscal year 2019. . . \$101,639,000
15 State Toxics Control Account: For transfer to the
16 cleanup settlement account as repayment of the
17 loan provided in section 3022(2) chapter 2,
18 Laws of 2012, 2nd sp. sess. (ESB 6074, 2012
19 supplemental capital budget), \$620,000 for
20 fiscal year 2018 and \$620,000 for fiscal
21 year 2019. \$1,240,000
22 General Fund: For transfer to the streamlined sales
23 and use tax account, (~~(\$11,171,000)~~) \$12,877,000
24 for fiscal year 2018 and (~~(\$8,641,000)~~) \$7,672,000
25 for fiscal year 2019. (~~(\$20,012,000)~~)
26 \$20,549,000
27 Aerospace Training and Student Loan Account: For
28 transfer to the state general fund, \$750,000
29 for fiscal year 2018 and \$750,000 for fiscal
30 year 2019. \$1,500,000
31 Disaster Response Account: For transfer to the state
32 general fund, \$42,000,000 for fiscal year 2018. . . . \$42,000,000
33 State Treasurer's Service Account: For transfer to the state
34 general fund, \$6,000,000 for fiscal year 2018 and
35 \$6,000,000 for fiscal year 2019. \$12,000,000
36 Statewide Information Tech System Maintenance and
37 Operations Revolving Account: For transfer to the
38 consolidated technology services revolving account,
39 \$5,500,000 for fiscal year 2018. \$5,500,000
40 General Fund: For transfer to the family and medical

1 leave insurance account as start-up costs for
2 the family and medical leave insurance program
3 pursuant to enactment of Substitute House Bill
4 No. 1116 (family and medical leave insurance),
5 Senate Bill No. 5975 (paid family and medical
6 leave insurance), or Senate Bill No. 5032
7 (family and medical leave insurance),
8 \$82,000,000 for fiscal year 2018. \$82,000,000
9 Family and Medical Leave Insurance Account: For
10 transfer to the General Fund as repayment for
11 start-up costs for the family and medical leave
12 insurance program pursuant to implementation of
13 Substitute House Bill No. 1116 (family and
14 medical leave insurance), Senate Bill No. 5975
15 (paid family and medical leave insurance),
16 or Senate Bill No. 5032 (family and medical
17 leave insurance), the lesser of the amount
18 determined by the treasurer for full repayment
19 of the \$82,000,000 transferred from the general
20 fund in fiscal year 2018 for start-up costs
21 with any related interest or this amount for
22 fiscal year 2019, \$90,000,000. \$90,000,000
23 Public Works Assistance Account: For transfer to the
24 education legacy trust account, \$136,998,000 for
25 fiscal year 2018 and \$117,017,000 for fiscal
26 year 2019. \$254,015,000
27 General Fund: For transfer to the firearms range
28 account for fiscal year 2018. \$75,000
29 Death Investigations Account: For transfer to
30 the state general fund, \$1,186,000 for
31 fiscal year 2018. \$1,186,000
32 New Motor Vehicle Arbitration Account: For transfer
33 to the state general fund, \$2,000,000 for fiscal
34 year 2018. \$2,000,000
35 Local Toxics Control Account: For transfer to the
36 state toxics control account, \$9,000,000 for
37 fiscal year 2018 and \$12,000,000 for fiscal
38 year 2019. \$21,000,000
39 Flood Control Assistance Account: For transfer to
40 the state general fund, \$1,000,000 for fiscal

1 year 2018 and \$1,000,000 for fiscal year 2019. \$2,000,000
 2 State Toxics Control Account: For transfer to water
 3 pollution control revolving account, \$3,000 for
 4 fiscal year 2018. \$3,000
 5 Aquatic Lands Enhancement Account: For transfer to
 6 the geoduck aquaculture research account for
 7 fiscal year 2019. \$200,000
 8 General Fund: For transfer to the basic education
 9 account for fiscal year 2018. \$105,200,000
 10 The amount transferred represents the monetary
 11 sanctions accrued from August 13, 2015, through
 12 June 30, 2018, under the order of the state supreme
 13 court of August 13, 2015, in *McCleary v. State*.
 14 General Fund: For transfer to the disaster response
 15 account for fiscal year 2018. \$51,000,000
 16 Oil Spill Response Account: For transfer to the oil
 17 spill prevention account for fiscal year 2018,
 18 to be transferred no later than April 1, 2018. \$4,721,000

(End of part)

PART IX
MISCELLANEOUS

Sec. 901. RCW 43.41.433 and 2017 3rd sp.s. c 1 s 950 are each amended to read as follows:

(1) The information technology investment revolving account is created in the custody of the state treasurer. All receipts from legislative appropriations and transfers must be deposited into the account. Only the director of financial management or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) Any residual balance of funds remaining in the information technology investment revolving account created in section 705, chapter 4, Laws of 2015 3rd sp. sess. and reenacted in subsection (1) of this section shall be transferred to the information technology investment revolving account created in subsection (1) of this section after June 30, 2017.

Sec. 902. 2017 3rd sp.s. c 1 s 936 (uncodified) is amended to read as follows:

**COMPENSATION—REPRESENTED EMPLOYEES—SUPER COALITION—INSURANCE
BENEFITS**

An agreement was reached for the 2017-2019 biennium between the governor and the health care super coalition under the provisions of chapter 41.80 RCW. Appropriations in this act for state agencies, including institutions of higher education, are sufficient to implement the provisions of the 2017-2019 collective bargaining agreement, and are subject to the following conditions and limitations:

(1) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$913 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate shall not exceed (~~(\$957)~~) \$926 per eligible employee.

(2) Except as provided by the parties' health care agreement, in order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other

1 changes to benefits consistent with RCW 41.05.065. The board shall
2 collect a twenty-five dollar per month surcharge payment from members
3 who use tobacco products and a surcharge payment of not less than
4 fifty dollars per month from members who cover a spouse or domestic
5 partner where the spouse or domestic partner has chosen not to enroll
6 in another employer-based group health insurance that has benefits
7 and premiums with an actuarial value of not less than 95 percent of
8 the actuarial value of the public employees' benefits board plan with
9 the largest enrollment. The surcharge payments shall be collected in
10 addition to the member premium payment.

11 (3) The health care authority shall deposit any moneys received
12 on behalf of the uniform medical plan as a result of rebates on
13 prescription drugs, audits of hospitals, subrogation payments, or any
14 other moneys recovered as a result of prior uniform medical plan
15 claims payments, into the public employees' and retirees' insurance
16 account to be used for insurance benefits. Such receipts may not be
17 used for administrative expenditures.

18 **Sec. 903.** 2017 3rd sp.s. c 1 s 937 (uncodified) is amended to
19 read as follows:

20 **COMPENSATION—REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION—INSURANCE**
21 **BENEFITS**

22 Appropriations for state agencies in this act are sufficient for
23 represented employees outside the super coalition for health
24 benefits, and are subject to the following conditions and
25 limitations:

26 (1) The monthly employer funding rate for insurance benefit
27 premiums, public employees' benefits board administration, and the
28 uniform medical plan, may not exceed \$913 per eligible employee for
29 fiscal year 2018. For fiscal year 2019, the monthly employer funding
30 rate may not exceed (~~(\$957)~~) \$926 per eligible employee.

31 (2) In order to achieve the level of funding provided for health
32 benefits, the public employees' benefits board shall require any or
33 all of the following: Employee premium copayments, increases in
34 point-of-service cost sharing, the implementation of managed
35 competition, or other changes to benefits consistent with RCW
36 41.05.065. The board shall collect a twenty-five dollar per month
37 surcharge payment from members who use tobacco products and a
38 surcharge payment of not less than fifty dollars per month from
39 members who cover a spouse or domestic partner where the spouse or

1 domestic partner has chosen not to enroll in another employer-based
2 group health insurance that has benefits and premiums with an
3 actuarial value of not less than 95 percent of the actuarial value of
4 the public employees' benefits board plan with the largest
5 enrollment. The surcharge payments shall be collected in addition to
6 the member premium payment.

7 (3) The health care authority shall deposit any moneys received
8 on behalf of the uniform medical plan as a result of rebates on
9 prescription drugs, audits of hospitals, subrogation payments, or any
10 other moneys recovered as a result of prior uniform medical plan
11 claims payments, into the public employees' and retirees' insurance
12 account to be used for insurance benefits. Such receipts may not be
13 used for administrative expenditures.

14 **Sec. 904.** 2017 3rd sp.s. c 1 s 942 (uncodified) is amended to
15 read as follows:

16 **COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS**

17 Appropriations for state agencies in this act are sufficient for
18 nonrepresented state employee health benefits for state agencies,
19 including institutions of higher education, and are subject to the
20 following conditions and limitations:

21 (1)(a) The monthly employer funding rate for insurance benefit
22 premiums, public employees' benefits board administration, and the
23 uniform medical plan, may not exceed \$913 per eligible employee for
24 fiscal year 2018. For fiscal year 2019, the monthly employer funding
25 rate may not exceed (~~(\$957)~~) \$926 per eligible employee.

26 (b) In order to achieve the level of funding provided for health
27 benefits, the public employees' benefits board shall require any or
28 all of the following: Employee premium copayments, increases in
29 point-of-service cost sharing, the implementation of managed
30 competition, or make other changes to benefits consistent with RCW
31 41.05.065. The board shall collect a twenty-five dollar per month
32 surcharge payment from members who use tobacco products and a
33 surcharge payment of not less than fifty dollars per month from
34 members who cover a spouse or domestic partner where the spouse or
35 domestic partner has chosen not to enroll in another employer-based
36 group health insurance that has benefits and premiums with an
37 actuarial value of not less than 95 percent of the actuarial value of
38 the public employees' benefits board plan with the largest
39 enrollment. The surcharge payments shall be collected in addition to

1 the member premium payment. All savings resulting from reduced claim
2 costs or other factors identified after December 31, 2016, must be
3 reserved for reducing expenditures in the current biennium, or for
4 funding employee health benefits in the 2019-2021 fiscal biennium,
5 and shall not be used to increase benefits, except as provided in (c)
6 of this subsection.

7 (c) The funding is sufficient for a new virtual diabetes
8 prevention program, and for a change in the waiting period for dental
9 crown replacements in the uniform dental program from seven years to
10 five years.

11 (d) The health care authority shall deposit any moneys received
12 on behalf of the uniform medical plan as a result of rebates on
13 prescription drugs, audits of hospitals, subrogation payments, or any
14 other moneys recovered as a result of prior uniform medical plan
15 claims payments, into the public employees' and retirees' insurance
16 account to be used for insurance benefits. Such receipts may not be
17 used for administrative expenditures.

18 (2) The health care authority, subject to the approval of the
19 public employees' benefits board, shall provide subsidies for health
20 benefit premiums to eligible retired or disabled public employees and
21 school district employees who are eligible for medicare, pursuant to
22 RCW 41.05.085. For calendar year(~~s~~) 2018 (~~and 2019~~), the subsidy
23 shall be up to \$150 per month. For calendar year 2019, the subsidy
24 shall be up to \$168 per month. The public employees' benefits board
25 may not authorize under RCW 41.05.085, and the health care authority
26 may not provide, a subsidy under this subsection of more than \$150
27 per month in calendar year 2018, and \$168 in calendar year 2019.
28 Funds from reserves accumulated for future adverse claims experience,
29 from past favorable claims experience, or otherwise, may not be used
30 to increase this retiree subsidy beyond what is authorized by the
31 legislature in this subsection.

32 (3) Technical colleges, school districts, and educational service
33 districts shall remit to the health care authority for deposit into
34 the public employees' and retirees' insurance account established in
35 RCW 41.05.120 the following amounts:

36 (a) For each full-time employee, \$64.07 per month beginning
37 September 1, 2017, and (~~(\$68.67)~~) \$71.08 beginning September 1, 2018;

38 (b) For each part-time employee, who at the time of the
39 remittance is employed in an eligible position as defined in RCW
40 41.32.010 or 41.40.010 and is eligible for employer fringe benefit

1 contributions for basic benefits, \$64.07 each month beginning
2 September 1, 2017, and (~~(\$68.67)~~) \$71.08 beginning September 1, 2018,
3 prorated by the proportion of employer fringe benefit contributions
4 for a full-time employee that the part-time employee receives. The
5 remittance requirements specified in this subsection do not apply to
6 employees of a technical college, school district, or educational
7 service district who purchase insurance benefits through contracts
8 with the health care authority.

9 **Sec. 905.** RCW 80.36.690 and 2013 2nd sp.s. c 8 s 208 are each
10 amended to read as follows:

11 (1) The universal communications services account is created in
12 the custody of the state treasurer. Revenues to the account consist
13 of moneys deposited in the account by the legislature and any
14 penalties or other recoveries received pursuant to RCW 80.36.670.
15 Expenditures from the account may be used only for the purposes of
16 the universal communications services program established in RCW
17 80.36.650. During the 2017-19 biennium, expenditures from the account
18 may also be used for grants to local governments and federally
19 recognized tribes to provide high-speed, open access broadband
20 services to rural and underserved communities. Only the secretary of
21 the commission or the secretary's designee may authorize expenditures
22 from the account. The account is subject to allotment procedures
23 under chapter 43.88 RCW, but an appropriation is not required for
24 expenditures.

25 (2) This section expires July 1, 2020.

26 **Sec. 906.** RCW 28B.20.476 and 2013 2nd sp.s. c 4 s 960 are each
27 amended to read as follows:

28 The geoduck aquaculture research account is created in the
29 custody of the state treasurer. All receipts from any legislative
30 appropriations, the aquaculture industry, or any other private or
31 public source directed to the account must be deposited in the
32 account. Expenditures from the account may only be used by the sea
33 grant program for the geoduck research projects identified by RCW
34 28B.20.475. Only the president of the University of Washington or the
35 president's designee may authorize expenditures from the account. The
36 account is subject to the allotment procedures under chapter 43.88
37 RCW, but an appropriation is not required for expenditures. During
38 the (~~(2013-2015)~~) 2017-2019 fiscal biennium, amounts available in the

1 geoduck aquaculture research account may also be appropriated for the
2 sea grant program at the University of Washington to conduct research
3 examining the possible negative and positive effects of evolving
4 shellfish aquaculture techniques and practices on Washington's
5 economy and marine ecosystems. It is the intent of the legislature
6 that this policy be continued in future biennia.

7 **Sec. 907.** 2017 3rd sp.s. c 1 s 944 (uncodified) is amended to
8 read as follows:

9 **INITIATIVE 732 COST-OF-LIVING INCREASES**

10 Part IX of this act authorizes general wage increases for state
11 employees covered by Initiative Measure No. 732. The general wage
12 increases on July 1, 2017, and July 1, 2018, provide a portion of the
13 annual cost-of-living adjustments required under Initiative Measure
14 No. 732. Funding is also provided for additional increases of three-
15 tenths of a percent on July 1, 2017, and (~~seven-tenths of a~~) one
16 percent on July 1, 2018, for cost-of-living adjustments under the
17 initiative. Funding is provided for a salary increase on January 1,
18 2019, of (~~one~~) seven-tenths of a percent for these employees, for a
19 nominal total of a six percent increase during the 2017-2019 fiscal
20 biennium.

21 NEW SECTION. **Sec. 908.** A new section is added to 2017 3rd sp.s.
22 c 1 (uncodified) to read as follows:

23 A paid family and medical leave program was created by chapter 5,
24 Laws of 2017 3rd sp. sess. The state, as an employer, will be
25 responsible for payment of employer premiums for employees beginning
26 January 1, 2019, other than those covered by a collective bargaining
27 agreement. Funding is provided for this obligation.

28 **Sec. 909.** RCW 41.26.802 and 2017 3rd sp.s. c 1 s 964 are each
29 amended to read as follows:

30 (1) By September 30, 2011, if the prior fiscal biennium's general
31 state revenues exceed the previous fiscal biennium's revenues by more
32 than five percent, subject to appropriation by the legislature, the
33 state treasurer shall transfer five million dollars to the local
34 public safety enhancement account.

35 (2) By September 30, 2019, and by September 30 of each
36 odd-numbered year thereafter, if the prior fiscal biennium's general
37 state revenues exceed the previous fiscal biennium's revenues by more

1 than five percent, subject to appropriation by the legislature, the
2 state treasurer shall transfer the lesser of one-third of the
3 increase, or fifty million dollars, to the local public safety
4 enhancement account.

5 (3) It is the intent of the legislature to fund any distribution
6 in 2019 and 2021 dedicated to the local law enforcement officers' and
7 firefighters' retirement system benefits improvement account through
8 alternate means, which may include transfers from the law enforcement
9 officers' and firefighters' plan 2 retirement fund.

10 **Sec. 910.** RCW 69.50.530 and 2016 sp.s. c 36 s 942 are each
11 amended to read as follows:

12 The dedicated marijuana account is created in the state treasury.
13 All moneys received by the state liquor and cannabis board, or any
14 employee thereof, from marijuana-related activities must be deposited
15 in the account. Unless otherwise provided in chapter 4, Laws of 2015
16 2nd sp. sess., all marijuana excise taxes collected from sales of
17 marijuana, useable marijuana, marijuana concentrates, and marijuana-
18 infused products under RCW 69.50.535, and the license fees,
19 penalties, and forfeitures derived under this chapter from marijuana
20 producer, marijuana processor, marijuana researcher, and marijuana
21 retailer licenses, must be deposited in the account. Moneys in the
22 account may only be spent after appropriation. During the 2015-2017
23 and 2017-2019 fiscal (~~biennium~~) biennia, the legislature may
24 transfer from the dedicated marijuana account to the basic health
25 plan trust account such amounts as reflect the excess fund balance of
26 the account.

27 **Sec. 911.** RCW 69.50.540 and 2017 3rd sp.s. c 1 s 979 are each
28 amended to read as follows:

29 The legislature must annually appropriate moneys in the dedicated
30 marijuana account created in RCW 69.50.530 as follows:

31 (1) For the purposes listed in this subsection (1), the
32 legislature must appropriate to the respective agencies amounts
33 sufficient to make the following expenditures on a quarterly basis:

34 (a) Beginning July 1, 2015, one hundred twenty-five thousand
35 dollars to the department of social and health services to design and
36 administer the Washington state healthy youth survey, analyze the
37 collected data, and produce reports, in collaboration with the office
38 of the superintendent of public instruction, department of health,

1 department of commerce, family policy council, and state liquor and
2 cannabis board. The survey must be conducted at least every two years
3 and include questions regarding, but not necessarily limited to,
4 academic achievement, age at time of substance use initiation,
5 antisocial behavior of friends, attitudes toward antisocial behavior,
6 attitudes toward substance use, laws and community norms regarding
7 antisocial behavior, family conflict, family management, parental
8 attitudes toward substance use, peer rewarding of antisocial
9 behavior, perceived risk of substance use, and rebelliousness. Funds
10 disbursed under this subsection may be used to expand administration
11 of the healthy youth survey to student populations attending
12 institutions of higher education in Washington;

13 (b) Beginning July 1, 2015, fifty thousand dollars to the
14 department of social and health services for the purpose of
15 contracting with the Washington state institute for public policy to
16 conduct the cost-benefit evaluation and produce the reports described
17 in RCW 69.50.550. This appropriation ends after production of the
18 final report required by RCW 69.50.550;

19 (c) Beginning July 1, 2015, five thousand dollars to the
20 University of Washington alcohol and drug abuse institute for the
21 creation, maintenance, and timely updating of web-based public
22 education materials providing medically and scientifically accurate
23 information about the health and safety risks posed by marijuana use;

24 (d)(i) An amount not less than one million two hundred fifty
25 thousand dollars to the state liquor and cannabis board for
26 administration of this chapter as appropriated in the omnibus
27 appropriations act; (~~and~~)

28 (ii) (~~Three hundred fifty-one thousand seven hundred fifty~~) Two
29 million six hundred fifty-one thousand seven hundred fifty dollars
30 for fiscal year 2018 and three hundred fifty-one thousand seven
31 hundred fifty dollars for fiscal year 2019 to the health professions
32 account established under RCW 43.70.320 for the development and
33 administration of the marijuana authorization database by the
34 department of health(~~(. It is the intent of the legislature that this~~
35 ~~policy will be continued in the 2019-2021 fiscal biennium))~~);

36 (iii) Two million eight hundred three thousand dollars for fiscal
37 year 2019 to the Washington state patrol for a drug enforcement task
38 force. It is the intent of the legislature that this policy will be
39 continued in the 2019-2021 fiscal biennium; and

1 (iv) One hundred eighty thousand dollars for fiscal year 2019 to
2 the department of ecology for accreditation of marijuana product
3 testing laboratories. It is the intent of the legislature that this
4 policy will be continued in the 2019-2021 fiscal biennium.

5 (e) Twenty-three thousand seven hundred fifty dollars to the
6 department of enterprise services provided solely for the state
7 building code council established under RCW 19.27.070, to develop and
8 adopt fire and building code provisions related to marijuana
9 processing and extraction facilities. The distribution under this
10 subsection (1)(e) is for fiscal year 2016 only;

11 (2) From the amounts in the dedicated marijuana account after
12 appropriation of the amounts identified in subsection (1) of this
13 section, the legislature must appropriate for the purposes listed in
14 this subsection (2) as follows:

15 (a)(i) Up to fifteen percent to the department of social and
16 health services division of behavioral health and recovery for the
17 development, implementation, maintenance, and evaluation of programs
18 and practices aimed at the prevention or reduction of maladaptive
19 substance use, substance use disorder, substance abuse or substance
20 dependence, as these terms are defined in the Diagnostic and
21 Statistical Manual of Mental Disorders, among middle school and high
22 school-age students, whether as an explicit goal of a given program
23 or practice or as a consistently corresponding effect of its
24 implementation, mental health services for children and youth, and
25 services for pregnant and parenting women; PROVIDED, That:

26 (A) Of the funds appropriated under (a)(i) of this subsection for
27 new programs and new services, at least eighty-five percent must be
28 directed to evidence-based or research-based programs and practices
29 that produce objectively measurable results and, by September 1,
30 2020, are cost-beneficial; and

31 (B) Up to fifteen percent of the funds appropriated under (a)(i)
32 of this subsection for new programs and new services may be directed
33 to proven and tested practices, emerging best practices, or promising
34 practices.

35 (ii) In deciding which programs and practices to fund, the
36 secretary of the department of social and health services must
37 consult, at least annually, with the University of Washington's
38 social development research group and the University of Washington's
39 alcohol and drug abuse institute.

1 (iii) For the fiscal year beginning July 1, 2016, the legislature
2 must appropriate a minimum of twenty-seven million seven hundred
3 eighty-six thousand dollars, and for each subsequent fiscal year
4 thereafter, the legislature must appropriate a minimum of twenty-five
5 million five hundred thirty-six thousand dollars under this
6 subsection (2)(a);

7 (b)(i) Up to ten percent to the department of health for the
8 following, subject to (b)(ii) of this subsection (2):

9 (A) Creation, implementation, operation, and management of a
10 marijuana education and public health program that contains the
11 following:

12 (I) A marijuana use public health hotline that provides referrals
13 to substance abuse treatment providers, utilizes evidence-based or
14 research-based public health approaches to minimizing the harms
15 associated with marijuana use, and does not solely advocate an
16 abstinence-only approach;

17 (II) A grants program for local health departments or other local
18 community agencies that supports development and implementation of
19 coordinated intervention strategies for the prevention and reduction
20 of marijuana use by youth; and

21 (III) Media-based education campaigns across television,
22 internet, radio, print, and out-of-home advertising, separately
23 targeting youth and adults, that provide medically and scientifically
24 accurate information about the health and safety risks posed by
25 marijuana use;

26 (B) The Washington poison control center; and

27 (C) During the 2015-2017 fiscal biennium, the funds appropriated
28 under this subsection (2)(b) may be used for prevention activities
29 that target youth and populations with a high incidence of tobacco
30 use.

31 (ii) For the fiscal year beginning July 1, 2016, the legislature
32 must appropriate a minimum of seven million five hundred thousand
33 dollars and for each subsequent fiscal year thereafter, the
34 legislature must appropriate a minimum of nine million seven hundred
35 fifty thousand dollars under this subsection (2)(b);

36 (c)(i) Up to six-tenths of one percent to the University of
37 Washington and four-tenths of one percent to Washington State
38 University for research on the short and long-term effects of
39 marijuana use, to include but not be limited to formal and informal

1 methods for estimating and measuring intoxication and impairment, and
2 for the dissemination of such research.

3 (ii) For the fiscal year beginning July 1, 2016, the legislature
4 must appropriate a minimum of two hundred seven thousand dollars and
5 for each subsequent fiscal year, except for the 2017-2019 fiscal
6 biennium, the legislature must appropriate a minimum of one million
7 twenty-one thousand dollars to the University of Washington. For the
8 fiscal year beginning July 1, 2016, the legislature must appropriate
9 a minimum of one hundred thirty-eight thousand dollars and for each
10 subsequent fiscal year thereafter, except for the 2017-2019 fiscal
11 biennium, a minimum of six hundred eighty-one thousand dollars to
12 Washington State University under this subsection (2)(c). It is the
13 intent of the legislature that this policy will be continued in the
14 2019-2021 fiscal biennium;

15 (d) Fifty percent to the state basic health plan trust account to
16 be administered by the Washington basic health plan administrator and
17 used as provided under chapter 70.47 RCW;

18 (e) Five percent to the Washington state health care authority to
19 be expended exclusively through contracts with community health
20 centers to provide primary health and dental care services, migrant
21 health services, and maternity health care services as provided under
22 RCW 41.05.220;

23 (f)(i) Up to three-tenths of one percent to the office of the
24 superintendent of public instruction to fund grants to building
25 bridges programs under chapter 28A.175 RCW.

26 (ii) For the fiscal year beginning July 1, 2016, and each
27 subsequent fiscal year, the legislature must appropriate a minimum of
28 five hundred eleven thousand dollars to the office of the
29 superintendent of public instruction under this subsection (2)(f);
30 and

31 (g) At the end of each fiscal year, the treasurer must transfer
32 any amounts in the dedicated marijuana account that are not
33 appropriated pursuant to subsection (1) of this section and this
34 subsection (2) into the general fund, except as provided in (g)(i) of
35 this subsection (2).

36 (i) Beginning in fiscal year 2018, if marijuana excise tax
37 collections deposited into the general fund in the prior fiscal year
38 exceed twenty-five million dollars, then each fiscal year the
39 legislature must appropriate an amount equal to thirty percent of all
40 marijuana excise taxes deposited into the general fund the prior

1 fiscal year to the treasurer for distribution to counties, cities,
2 and towns as follows:

3 (A) Thirty percent must be distributed to counties, cities, and
4 towns where licensed marijuana retailers are physically located. Each
5 jurisdiction must receive a share of the revenue distribution under
6 this subsection (2)(g)(i)(A) based on the proportional share of the
7 total revenues generated in the individual jurisdiction from the
8 taxes collected under RCW 69.50.535, from licensed marijuana
9 retailers physically located in each jurisdiction. For purposes of
10 this subsection (2)(g)(i)(A), one hundred percent of the proportional
11 amount attributed to a retailer physically located in a city or town
12 must be distributed to the city or town.

13 (B) Seventy percent must be distributed to counties, cities, and
14 towns ratably on a per capita basis. Counties must receive sixty
15 percent of the distribution, which must be disbursed based on each
16 county's total proportional population. Funds may only be distributed
17 to jurisdictions that do not prohibit the siting of any state
18 licensed marijuana producer, processor, or retailer.

19 (ii) Distribution amounts allocated to each county, city, and
20 town must be distributed in four installments by the last day of each
21 fiscal quarter.

22 (iii) By September 15th of each year, the state liquor and
23 cannabis board must provide the state treasurer the annual
24 distribution amount, if any, for each county and city as determined
25 in (g)(i) of this subsection (2).

26 (iv) The total share of marijuana excise tax revenues distributed
27 to counties and cities in (g)(i) of this subsection (2) may not
28 exceed (~~six~~) fifteen million dollars in fiscal years 2018 and 2019
29 and twenty million dollars per fiscal year thereafter. (~~However, if~~
30 ~~the February 2018 forecast of state revenues for the general fund in~~
31 ~~the 2017-2019 fiscal biennium exceeds the amount estimated in the~~
32 ~~June 2017 revenue forecast by over eighteen million dollars after~~
33 ~~adjusting for changes directly related to legislation adopted in the~~
34 ~~2017 legislative session, the total share of marijuana excise tax~~
35 ~~revenue distributed to counties and cities in (g)(i) of this~~
36 ~~subsection (2) may not exceed fifteen million dollars in fiscal years~~
37 ~~2018 and 2019.)) It is the intent of the legislature that the policy
38 for the maximum distributions in the subsequent fiscal biennia will
39 be no more than (~~\$6~~) fifteen million dollars per fiscal year.~~

1 For the purposes of this section, "marijuana products" means
2 "useable marijuana," "marijuana concentrates," and "marijuana-infused
3 products" as those terms are defined in RCW 69.50.101.

4 **Sec. 912.** RCW 70.105D.070 and 2017 3rd sp.s. c 1 s 980 are each
5 amended to read as follows:

6 (1) The state toxics control account and the local toxics control
7 account are hereby created in the state treasury.

8 (2)(a) Moneys collected under RCW 82.21.030 must be deposited as
9 follows: Fifty-six percent to the state toxics control account under
10 subsection (3) of this section and forty-four percent to the local
11 toxics control account under subsection (4) of this section. When the
12 cumulative amount of deposits made to the state and local toxics
13 control accounts under this section reaches the limit during a fiscal
14 year as established in (b) of this subsection, the remainder of the
15 moneys collected under RCW 82.21.030 during that fiscal year must be
16 deposited into the environmental legacy stewardship account created
17 in RCW 70.105D.170.

18 (b) The limit on distributions of moneys collected under RCW
19 82.21.030 to the state and local toxics control accounts for the
20 fiscal year beginning July 1, 2013, is one hundred forty million
21 dollars.

22 (c) In addition to the funds required under (a) of this
23 subsection, the following moneys must be deposited into the state
24 toxics control account: (i) The costs of remedial actions recovered
25 under this chapter or chapter 70.105A RCW; (ii) penalties collected
26 or recovered under this chapter; and (iii) any other money
27 appropriated or transferred to the account by the legislature.

28 (3) Moneys in the state toxics control account must be used only
29 to carry out the purposes of this chapter, including but not limited
30 to the following activities:

31 (a) The state's responsibility for hazardous waste planning,
32 management, regulation, enforcement, technical assistance, and public
33 education required under chapter 70.105 RCW;

34 (b) The state's responsibility for solid waste planning,
35 management, regulation, enforcement, technical assistance, and public
36 education required under chapter 70.95 RCW;

37 (c) The hazardous waste clean-up program required under this
38 chapter;

39 (d) State matching funds required under federal cleanup law;

1 (e) Financial assistance for local programs in accordance with
2 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

3 (f) State government programs for the safe reduction, recycling,
4 or disposal of paint and hazardous wastes from households, small
5 businesses, and agriculture;

6 (g) Oil and hazardous materials spill prevention, preparedness,
7 training, and response activities;

8 (h) Water and environmental health protection and monitoring
9 programs;

10 (i) Programs authorized under chapter 70.146 RCW;

11 (j) A public participation program;

12 (k) Public funding to assist potentially liable persons to pay
13 for the costs of remedial action in compliance with clean-up
14 standards under RCW 70.105D.030(2)(e) but only when the amount and
15 terms of such funding are established under a settlement agreement
16 under RCW 70.105D.040(4) and when the director has found that the
17 funding will achieve both: (i) A substantially more expeditious or
18 enhanced cleanup than would otherwise occur; and (ii) the prevention
19 or mitigation of unfair economic hardship;

20 (l) Development and demonstration of alternative management
21 technologies designed to carry out the hazardous waste management
22 priorities of RCW 70.105.150;

23 (m) State agriculture and health programs for the safe use,
24 reduction, recycling, or disposal of pesticides;

25 (n) Stormwater pollution control projects and activities that
26 protect or preserve existing remedial actions or prevent hazardous
27 clean-up sites;

28 (o) Funding requirements to maintain receipt of federal funds
29 under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et
30 seq.);

31 (p) Air quality programs and actions for reducing public exposure
32 to toxic air pollution;

33 (q) Public funding to assist prospective purchasers to pay for
34 the costs of remedial action in compliance with clean-up standards
35 under RCW 70.105D.030(2)(e) if:

36 (i) The facility is located within a redevelopment opportunity
37 zone designated under RCW 70.105D.150;

38 (ii) The amount and terms of the funding are established under a
39 settlement agreement under RCW 70.105D.040(5); and

1 (iii) The director has found the funding meets any additional
2 criteria established in rule by the department, will achieve a
3 substantially more expeditious or enhanced cleanup than would
4 otherwise occur, and will provide a public benefit in addition to
5 cleanup commensurate with the scope of the public funding;

6 (r) Petroleum-based plastic or expanded polystyrene foam debris
7 cleanup activities in fresh or marine waters;

8 (s) Appropriations to the local toxics control account or the
9 environmental legacy stewardship account created in RCW 70.105D.170,
10 if the legislature determines that priorities for spending exceed
11 available funds in those accounts;

12 (t) During the ~~((2015-2017 and))~~ 2017-2019 fiscal ~~((biennia))~~
13 biennium, the department of ecology's water quality, shorelands,
14 environmental assessment, administration, and air quality programs;

15 ~~((During the 2013-2015 fiscal biennium, actions at the state
16 conservation commission to improve water quality for shellfish;~~

17 ~~(v) During the 2013-2015 and 2015-2017 fiscal biennia, actions at
18 the University of Washington for reducing ocean acidification;~~

19 ~~(w))~~ During the ~~((2015-2017 and))~~ 2017-2019 fiscal ~~((biennia))~~
20 biennium, for the University of Washington Tacoma soil remediation
21 project; and

22 ~~((x) For the 2013-2015 fiscal biennium, moneys in the state
23 toxics control account may be spent on projects in section 3160,
24 chapter 19, Laws of 2013 2nd sp. sess. and for transfer to the local
25 toxics control account;~~

26 ~~(y) For the 2013-2015 fiscal biennium, moneys in the state toxics
27 control account may be transferred to the radioactive mixed waste
28 account; and~~

29 ~~(z))~~ (v) For the ~~((2015-2017 and))~~ 2017-2019 fiscal ~~((biennia))~~
30 biennium, forest practices regulation at the department of natural
31 resources.

32 (4)(a) The department shall use moneys deposited in the local
33 toxics control account for grants or loans to local governments for
34 the following purposes in descending order of priority:

35 (i) Extended grant agreements entered into under ~~((e))~~ (c)(i)
36 of this subsection;

37 (ii) Remedial actions, including planning for adaptive reuse of
38 properties as provided for under ~~((e))~~ (c)(iv) of this subsection.
39 The department must prioritize funding of remedial actions at:

1 (A) Facilities on the department's hazardous sites list with a
2 high hazard ranking for which there is an approved remedial action
3 work plan or an equivalent document under federal cleanup law;

4 (B) Brownfield properties within a redevelopment opportunity zone
5 if the local government is a prospective purchaser of the property
6 and there is a department-approved remedial action work plan or
7 equivalent document under the federal cleanup law;

8 (iii) Stormwater pollution source projects that: (A) Work in
9 conjunction with a remedial action; (B) protect completed remedial
10 actions against recontamination; or (C) prevent hazardous clean-up
11 sites;

12 (iv) Hazardous waste plans and programs under chapter 70.105 RCW;

13 (v) Solid waste plans and programs under chapters 70.95, 70.95C,
14 70.95I, and 70.105 RCW;

15 (vi) Petroleum-based plastic or expanded polystyrene foam debris
16 cleanup activities in fresh or marine waters; and

17 (vii) Appropriations to the state toxics control account or the
18 environmental legacy stewardship account created in RCW 70.105D.170,
19 if the legislature determines that priorities for spending exceed
20 available funds in those accounts.

21 (b) Funds for plans and programs must be allocated consistent
22 with the priorities and matching requirements established in chapters
23 70.105, 70.95C, 70.95I, and 70.95 RCW.

24 ~~(c) ((During the 2013-2015 fiscal biennium, the local toxics
25 control account may also be used for local government stormwater
26 planning and implementation activities.~~

27 ~~(d) During the 2013-2015 fiscal biennium, the legislature may
28 transfer from the local toxics control account to the state general
29 fund, such amounts as reflect the excess fund balance in the account.~~

30 (e)) To expedite cleanups throughout the state, the department
31 may use the following strategies when providing grants to local
32 governments under this subsection:

33 (i) Enter into an extended grant agreement with a local
34 government conducting remedial actions at a facility where those
35 actions extend over multiple biennia and the total eligible cost of
36 those actions exceeds twenty million dollars. The agreement is
37 subject to the following limitations:

38 (A) The initial duration of such an agreement may not exceed ten
39 years. The department may extend the duration of such an agreement

1 upon finding substantial progress has been made on remedial actions
2 at the facility;

3 (B) Extended grant agreements may not exceed fifty percent of the
4 total eligible remedial action costs at the facility; and

5 (C) The department may not allocate future funding to an extended
6 grant agreement unless the local government has demonstrated to the
7 department that funds awarded under the agreement during the previous
8 biennium have been substantially expended or contracts have been
9 entered into to substantially expend the funds;

10 (ii) Enter into a grant agreement with a local government
11 conducting a remedial action that provides for periodic reimbursement
12 of remedial action costs as they are incurred as established in the
13 agreement;

14 (iii) Enter into a grant agreement with a local government prior
15 to it acquiring a property or obtaining necessary access to conduct
16 remedial actions, provided the agreement is conditioned upon the
17 local government acquiring the property or obtaining the access in
18 accordance with a schedule specified in the agreement;

19 (iv) Provide integrated planning grants to local governments to
20 fund studies necessary to facilitate remedial actions at brownfield
21 properties and adaptive reuse of properties following remediation.
22 Eligible activities include, but are not limited to: Environmental
23 site assessments; remedial investigations; health assessments;
24 feasibility studies; site planning; community involvement; land use
25 and regulatory analyses; building and infrastructure assessments;
26 economic and fiscal analyses; and any environmental analyses under
27 chapter 43.21C RCW;

28 (v) Provide grants to local governments for remedial actions
29 related to area-wide groundwater contamination. To receive the
30 funding, the local government does not need to be a potentially
31 liable person or be required to seek reimbursement of grant funds
32 from a potentially liable person;

33 (vi) The director may alter grant matching requirements to create
34 incentives for local governments to expedite cleanups when one of the
35 following conditions exists:

36 (A) Funding would prevent or mitigate unfair economic hardship
37 imposed by the clean-up liability;

38 (B) Funding would create new substantial economic development,
39 public recreational opportunities, or habitat restoration
40 opportunities that would not otherwise occur; or

1 (C) Funding would create an opportunity for acquisition and
2 redevelopment of brownfield property under RCW 70.105D.040(5) that
3 would not otherwise occur;

4 (vii) When pending grant applications under ~~((e))~~ (c)(iv) and
5 (v) of this subsection (4) exceed the amount of funds available,
6 designated redevelopment opportunity zones must receive priority for
7 distribution of available funds.

8 ~~((f))~~ (d) To expedite multiparty clean-up efforts, the
9 department may purchase remedial action cost-cap insurance. ~~((For the
10 2013-2015 fiscal biennium, moneys in the local toxics control account
11 may be spent on projects in sections 3024, 3035, 3036, and 3059,
12 chapter 19, Laws of 2013 2nd sp. sess.))~~

13 (5) Except for unanticipated receipts under RCW 43.79.260 through
14 43.79.282, moneys in the state and local toxics control accounts may
15 be spent only after appropriation by statute.

16 (6) No moneys deposited into either the state or local toxics
17 control account may be used for: Natural disasters where there is no
18 hazardous substance contamination; high performance buildings; solid
19 waste incinerator facility feasibility studies, construction,
20 maintenance, or operation; or ~~((after January 1, 2010, for))~~ projects
21 designed to address the restoration of Puget Sound, funded in a
22 competitive grant process, that are in conflict with the action
23 agenda developed by the Puget Sound partnership under RCW 90.71.310.
24 However, this subsection does not prevent an appropriation from the
25 state toxics control account to the department of revenue to enforce
26 compliance with the hazardous substance tax imposed in chapter 82.21
27 RCW.

28 (7) ~~((Except during the 2011-2013 and the 2015-2017 fiscal
29 biennia,))~~ One percent of the moneys collected under RCW 82.21.030
30 shall be allocated only for public participation grants to persons
31 who may be adversely affected by a release or threatened release of a
32 hazardous substance and to not-for-profit public interest
33 organizations. The primary purpose of these grants is to facilitate
34 the participation by persons and organizations in the investigation
35 and remedying of releases or threatened releases of hazardous
36 substances and to implement the state's solid and hazardous waste
37 management priorities. No grant may exceed sixty thousand dollars.
38 Grants may be renewed annually. Moneys appropriated for public
39 participation that are not expended at the close of any biennium
40 revert to the state toxics control account.

1 (8) The department shall adopt rules for grant or loan issuance
2 and performance. To accelerate both remedial action and economic
3 recovery, the department may expedite the adoption of rules necessary
4 to implement chapter 1, Laws of 2013 2nd sp. sess. using the
5 expedited procedures in RCW 34.05.353. The department shall initiate
6 the award of financial assistance by August 1, 2013. To ensure the
7 adoption of rules will not delay financial assistance, the department
8 may administer the award of financial assistance through interpretive
9 guidance pending the adoption of rules through July 1, 2014.

10 (9) Except as provided under subsection (3)(k) and (q) of this
11 section, nothing in chapter 1, Laws of 2013 2nd sp. sess. affects the
12 ability of a potentially liable person to receive public funding.

13 ~~((During the 2015-2017 fiscal biennium the local toxics
14 control account may also be used for the centennial clean water
15 program and for the stormwater financial assistance program
16 administered by the department of ecology.~~

17 ~~(11))~~ During the 2017-2019 biennium:

18 (a) The state toxics control account, the local toxics control
19 account, and the environmental legacy stewardship account may be used
20 for interchangeable purposes and funds may be transferred between
21 accounts to accomplish those purposes.

22 (b) The legislature may direct the state treasurer to make
23 transfers of moneys in the state toxics control account to the water
24 pollution control revolving account.

25 **Sec. 913.** RCW 79.105.150 and 2017 3rd sp.s. c 1 s 987 are each
26 amended to read as follows:

27 (1) After deduction for management costs as provided in RCW
28 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys
29 received by the state from the sale or lease of state-owned aquatic
30 lands and from the sale of valuable material from state-owned aquatic
31 lands shall be deposited in the aquatic lands enhancement account
32 which is hereby created in the state treasury. After appropriation,
33 these funds shall be used solely for aquatic lands enhancement
34 projects; for the purchase, improvement, or protection of aquatic
35 lands for public purposes; for providing and improving access to the
36 lands; and for volunteer cooperative fish and game projects. During
37 the ~~((2013-2015, 2015-2017, and))~~ 2017-2019 fiscal ~~((biennia))~~
38 biennium, the aquatic lands enhancement account may be used to
39 support the shellfish program, the ballast water program, hatcheries,

1 the Puget Sound toxic sampling program and steelhead mortality
2 research at the department of fish and wildlife, the knotweed program
3 at the department of agriculture, actions at the University of
4 Washington for reducing ocean acidification, which may include the
5 creation of a center on ocean acidification, the Puget SoundCorps
6 program, and support of the marine resource advisory council and the
7 Washington coastal marine advisory council. During the ((2013-2015))
8 2017-2019 fiscal biennium, the legislature may transfer from the
9 aquatic lands enhancement account to the geoduck aquaculture research
10 account for research related to shellfish aquaculture. ((During the
11 ~~2015-2017~~ fiscal biennium, the legislature may transfer moneys from
12 the ~~aquatic lands enhancement account to the marine resources~~
13 ~~stewardship trust account.~~))

14 (2) In providing grants for aquatic lands enhancement projects,
15 the recreation and conservation funding board shall:

16 (a) Require grant recipients to incorporate the environmental
17 benefits of the project into their grant applications;

18 (b) Utilize the statement of environmental benefits,
19 consideration, except as provided in RCW 79.105.610, of whether the
20 applicant is a Puget Sound partner, as defined in RCW 90.71.010,
21 whether a project is referenced in the action agenda developed by the
22 Puget Sound partnership under RCW 90.71.310, and except as otherwise
23 provided in RCW 79.105.630, and effective one calendar year following
24 the development and statewide availability of model evergreen
25 community management plans and ordinances under RCW 35.105.050,
26 whether the applicant is an entity that has been recognized, and what
27 gradation of recognition was received, in the evergreen community
28 recognition program created in RCW 35.105.030 in its prioritization
29 and selection process; and

30 (c) Develop appropriate outcome-focused performance measures to
31 be used both for management and performance assessment of the grants.

32 (3) To the extent possible, the department should coordinate its
33 performance measure system with other natural resource-related
34 agencies as defined in RCW 43.41.270.

35 (4) The department shall consult with affected interest groups in
36 implementing this section.

37 (5) ((~~After January 1, 2010,~~) Any project designed to address
38 the restoration of Puget Sound may be funded under this chapter only
39 if the project is not in conflict with the action agenda developed by
40 the Puget Sound partnership under RCW 90.71.310.

1 **Sec. 914.** RCW 86.26.007 and 2015 3rd sp.s. c 4 s 978 are each
2 amended to read as follows:

3 The flood control assistance account is hereby established in the
4 state treasury. (~~At the beginning of the 2005-2007 fiscal biennium,~~
5 ~~the state treasurer shall transfer three million dollars from the~~
6 ~~general fund to the flood control assistance account.~~) Each biennium
7 (~~thereafter~~) the state treasurer shall transfer four million
8 dollars from the general fund to the flood control assistance
9 account(~~, except that during the 2011-2013 fiscal biennium, the~~
10 ~~state treasurer shall transfer one million dollars from the general~~
11 ~~fund to the flood control assistance account~~). Moneys in the flood
12 control assistance account may be spent only after appropriation for
13 purposes specified under this chapter. (~~During the 2013-2015 fiscal~~
14 ~~biennium and the 2015-2017 fiscal biennium, the legislature may~~
15 ~~transfer from the flood control assistance account to the state~~
16 ~~general fund such amounts as reflect the excess fund balance of the~~
17 ~~account.~~) During the 2017-2019 fiscal biennium, the legislature may
18 direct the state treasurer to make transfers of moneys in the flood
19 control assistance account to the state general fund.

20 **Sec. 915.** RCW 90.56.500 and 2015 c 274 s 6 are each amended to
21 read as follows:

22 (1) The state oil spill response account is created in the state
23 treasury. All receipts from RCW 82.23B.020(1) shall be deposited in
24 the account. All costs reimbursed to the state by a responsible party
25 or any other person for responding to a spill of oil shall also be
26 deposited in the account. Moneys in the account shall be spent only
27 after appropriation. The account is subject to allotment procedures
28 under chapter 43.88 RCW.

29 (2)(a) The account shall be used exclusively to pay for:

30 (i) The costs associated with the response to spills or imminent
31 threats of spills of crude oil or petroleum products into the waters
32 of the state; and

33 (ii) The costs associated with the department's use of an
34 emergency response towing vessel.

35 (b) During the (~~2015-2017~~) 2017-2019 biennium, the legislature
36 may transfer up to (~~two million two hundred twenty-five~~) four
37 million seven hundred twenty-one thousand dollars from the account to
38 the oil spill prevention account created in RCW 90.56.510.

1 (3) Payment of response costs under subsection (2)(a)(i) of this
2 section shall be limited to spills which the director has determined
3 are likely to exceed one thousand dollars.

4 (4) Before expending moneys from the account, but without
5 delaying response activities, the director shall make reasonable
6 efforts to obtain funding for response costs under subsection (2) of
7 this section from the person responsible for the spill and from other
8 sources, including the federal government.

9 (5) Reimbursement for response costs from this account shall be
10 allowed only for costs which are not covered by funds appropriated to
11 the agencies responsible for response activities. Costs associated
12 with the response to spills of crude oil or petroleum products shall
13 include:

14 (a) Natural resource damage assessment and related activities;

15 (b) Spill related response, containment, wildlife rescue,
16 cleanup, disposal, and associated costs;

17 (c) Interagency coordination and public information related to a
18 response; and

19 (d) Appropriate travel, goods and services, contracts, and
20 equipment.

21 NEW SECTION. **Sec. 916.** A new section is added to chapter
22 28A.150 RCW to read as follows:

23 The basic education account is created in the state treasury.
24 Moneys in the account may be spent only after appropriation. Revenues
25 to the account consist of moneys transferred to the account pursuant
26 to legislative directive. The legislature may appropriate from the
27 account only for purposes of the state's program of basic education
28 as defined in RCW 28A.150.220.

29 NEW SECTION. **Sec. 917.** If any provision of this act or its
30 application to any person or circumstance is held invalid, the
31 remainder of the act or the application of the provision to other
32 persons or circumstances is not affected.

33 NEW SECTION. **Sec. 918.** This act is necessary for the immediate
34 preservation of the public peace, health, or safety, or support of
35 the state government and its existing public institutions, and takes
36 effect immediately."

1 Correct the title.

EFFECT: Public Schools.

Effect: Funding for salary allocations is increased in fiscal year 2018 by \$775.4 million (\$969.4 million over the four-year Outlook period) (State general fund (GFS), Basic Education Account, and Opportunity Pathways Account). In addition, salary allocation funding is similarly increased for the State School for the Blind (\$0.3 million) and the Center for Childhood Deafness and Hearing Loss (\$0.3m).

Savings are achieved by removing the increased funding for family involvement coordinators (\$38.8m) and middle school guidance counselors (\$15.4m) provided in Substitute House Bill 2299. Savings are achieved by increasing the special education multiplier by a lower amount than was done in Substitute House Bill 2299 (saving \$11.6 million). In addition, professional learning days are delayed (saving \$27.0 million) and the timing of apportionment payments within a given school year is modified (saving \$609.1 million, which is \$325.5 million over the four-year Outlook period). (GFS, Basic Education Account, and Opportunity Pathways Account).

Total Public Schools Fiscal Impact compared to SHB 2299: Total funding for public schools and related agencies in the 2017-19 biennium is increased by a net of \$75.6 million. (GFS, Basic Education Account, and Opportunity Pathways Account).

Health Care Authority

Effect: Substitute House Bill 2299 restored funding (beginning in either fiscal year 2018 or fiscal year 2019) for Healthier Washington, pharmacy related savings, and dental related savings. Limiting the restoration to fiscal year 2018 reduced these amounts by \$22.7 million for healthier Washington, \$24.9 million for pharmacy related savings, and \$6.1 million for dental related savings. In addition, \$14.8 million (plus associated federal funding) provided in the Substitute House Bill for an assumed managed care rate increase in calendar year 2019 is removed.

Total Health Care Authority Fiscal Impact compared to SHB 2299:

Total funding for the Health Care Authority is reduced in the GFS by \$68.5 million and general fund—federal by \$136.3 million.

Wildfire Costs

Effect: General Fund—State funding for wildfire related costs is reduced in the Department of Natural Resources and the State Patrol, assuming costs for certain gubernatorial declared disasters will instead be appropriated from the Budget Stabilization Account in separate legislation (\$19.8 million GFS and \$2.7 million Disaster Response). The transfer from the GFS to the Disaster Response Account is adjusted to reflect these assumptions.

Total Wildfire Costs Fiscal Impact compared to SHB 2299: Total wildfire cost funding is reduced by \$19.8 million GFS and \$2.7 million Disaster Response.

ELTA Transfer

The transfer of \$1.1 billion from the state general fund to the Education Legacy Trust Account, which relates to public school salary allocations under EHB 2242, is removed.

(End of Bill)

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