

HOUSE BILL 1108

State of Washington 66th Legislature 2019 Regular Session

By Representative Ormsby; by request of Office of Financial Management

Prefiled 01/10/19. Read first time 01/14/19. Referred to Committee on Appropriations.

1 AN ACT Relating to fiscal matters; amending 2018 c 299 ss 109,
2 112, 113, 115, 118, 119, 121, 123, 125, 127, 129, 130, 132, 135, 136,
3 138, 142, 147, 201, 203, 204, 205, 206, 207, 209, 210, 211, 212, 213,
4 215, 216, 217, 218, 219, 220, 223, 302, 303, 306, 307, 308, 309, 310,
5 311, 401, 402, 501, 502, 503, 504, 505, 507, 508, 509, 510, 511, 512,
6 513, 514, 515, 516, 517, 518, 519, 603, 605, 612, 613, 701, 702, 703,
7 801, and 802 and 2017 3rd sp.s. c 1 ss 146 and 702 (uncodified);
8 adding a new section to 2018 c 299 (uncodified); making
9 appropriations; and declaring an emergency.

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

11 PART I
12 GENERAL GOVERNMENT

13 Sec. 101. 2018 c 299 s 109 (uncodified) is amended to read as
14 follows:

15 FOR THE SUPREME COURT

Table with 2 columns: Description and Amount. Rows include General Fund—State Appropriation (FY 2018) at \$7,712,000, General Fund—State Appropriation (FY 2019) at (\$8,025,000), Pension Funding Stabilization Account—State Appropriation at \$671,000, and a total of \$8,043,000.

1 TOTAL APPROPRIATION. (~~(\$16,408,000)~~)
2 \$16,426,000

3 **Sec. 102.** 2018 c 299 s 112 (uncodified) is amended to read as
4 follows:

5 **FOR THE COURT OF APPEALS**
6 General Fund—State Appropriation (FY 2018). \$17,342,000
7 General Fund—State Appropriation (FY 2019). (~~(\$18,066,000)~~)
8 \$18,212,000
9 Pension Funding Stabilization Account—State
10 Appropriation. \$1,477,000
11 TOTAL APPROPRIATION. (~~(\$36,885,000)~~)
12 \$37,031,000

13 **Sec. 103.** 2018 c 299 s 113 (uncodified) is amended to read as
14 follows:

15 **FOR THE ADMINISTRATOR FOR THE COURTS**
16 General Fund—State Appropriation (FY 2018). \$55,112,000
17 General Fund—State Appropriation (FY 2019). (~~(\$58,597,000)~~)
18 \$59,843,000
19 General Fund—Federal Appropriation. \$2,174,000
20 General Fund—Private/Local Appropriation. \$676,000
21 Judicial Information Systems Account—State
22 Appropriation. \$61,089,000
23 Judicial Stabilization Trust Account—State
24 Appropriation. \$6,691,000
25 Pension Funding Stabilization Account—State
26 Appropriation. \$4,580,000
27 TOTAL APPROPRIATION. (~~(\$188,919,000)~~)
28 \$190,165,000

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

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

36 (2) \$1,399,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$1,399,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for school districts for
2 petitions to juvenile court for truant students as provided in RCW
3 28A.225.030 and 28A.225.035. The administrator for the courts shall
4 develop an interagency agreement with the superintendent of public
5 instruction to allocate the funding provided in this subsection.
6 Allocation of this money to school districts shall be based on the
7 number of petitions filed. This funding includes amounts school
8 districts may expend on the cost of serving petitions filed under RCW
9 28A.225.030 by certified mail or by personal service or for the
10 performance of service of process for any hearing associated with RCW
11 28A.225.030.

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

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

34 (4) \$12,000,000 of the judicial information systems account—state
35 appropriation is provided solely for the continued implementation of
36 the superior courts case management system. Of the amount
37 appropriated, \$8,300,000 is provided solely for expenditures in
38 fiscal year 2018. The remaining appropriation of \$3,700,000 is
39 provided solely for expenditures in fiscal year 2019 and shall lapse

1 and remain unexpended if the superior court case management system is
2 not live and fully functional in Cowlitz, Grays Harbor, Klickitat,
3 Mason, Pacific, and Skamania counties by July 1, 2017, and Clallum,
4 Jefferson, Kitsap, Skagit, and Whatcom counties by January 1, 2018.

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

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

- 11 (i) The superior court case management system;
- 12 (ii) The courts of limited jurisdiction case management system;
- 13 (iii) The appellate court case management system; and
- 14 (iv) Support staff for information technology projects.

15 (b) Expenditures from the judicial information systems account
16 shall not exceed available resources. The office must coordinate with
17 the steering committee for the superior court case management system
18 and the steering committee for the courts of limited jurisdiction
19 case management system to prioritize expenditures for judicial branch
20 information technology projects. For any competitive procurement
21 using amounts appropriated, the office of the chief information
22 officer must review the qualifications and proposed work plan of the
23 apparently successful bidder prior to final selection and review the
24 proposed vendor contract prior to its execution. The office shall not
25 enter into any contract using appropriated amounts that would cause
26 total information technology expenditures to exceed projected
27 resources in the judicial information systems account in the
28 2019-2021 fiscal biennium.

29 (7) \$811,000 of the general fund—state appropriation for fiscal
30 year 2018 is provided solely for the statewide fiscal impact on
31 Thurston county courts. The administrative office of the courts must
32 collaborate with Thurston county to create a new fee formula that
33 accurately represents the state's impact on Thurston county courts.

34 (8) \$53,000 of the general fund—state appropriation for fiscal
35 year 2018 is provided solely for implementation of chapter 272, Laws
36 of 2017 (E2SHB 1163) (domestic violence).

37 (9) \$61,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$58,000 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 (10) \$120,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for staff to support the superior court
5 judges association as provided in the agreement between the
6 association and the office.

7 (11) \$2,265,000 of the judicial information systems account—state
8 appropriation is provided solely for replacement of computer
9 equipment, including servers, routers, and storage system upgrades.

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

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

29 **Sec. 104.** 2018 c 299 s 115 (uncodified) is amended to read as
30 follows:

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

32	General Fund—State Appropriation (FY 2018)	\$14,833,000
33	General Fund—State Appropriation (FY 2019)	((\$17,230,000))
34		<u>\$17,405,000</u>
35	Judicial Stabilization Trust Account—State	
36	Appropriation	\$1,463,000
37	Pension Funding Stabilization Account—State	
38	Appropriation	\$44,000

1 TOTAL APPROPRIATION. ((~~\$33,570,000~~))
2 \$33,745,000

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

5 (1) An amount not to exceed \$40,000 of the general fund—state
6 appropriation for fiscal year 2018 and an amount not to exceed
7 \$40,000 of the general fund—state appropriation for fiscal year 2019
8 may be used to provide telephonic legal advice and assistance to
9 otherwise eligible persons who are sixty years of age or older on
10 matters authorized by RCW 2.53.030(2) (a) through (k) regardless of
11 household income or asset level.

12 (2) \$1,075,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$2,600,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for the office to partially
15 implement the civil legal aid reinvestment plan.

16 (3) \$338,000 of the general fund—state appropriation for fiscal
17 year 2019 is provided solely for the addition of five contract
18 attorneys beginning January 1, 2019, to further implement the civil
19 legal aid reinvestment plan.

20 (4) \$300,000 of the general fund—state appropriation for fiscal
21 year 2019 is provided solely for the office to automate, deploy, and
22 host a plain language family law forms document assembly system.

23 (5) \$125,000 of the general fund—state appropriation for fiscal
24 year 2019 is provided solely for a contract with the international
25 families justice coalition to expand private capacity to provide
26 legal services for indigent foreign nationals in contested domestic
27 relations and family law cases. Moneys may not be expended from this
28 appropriation for private legal representation of clients in domestic
29 relations and family law cases.

30 **Sec. 105.** 2018 c 299 s 118 (uncodified) is amended to read as
31 follows:

32 **FOR THE PUBLIC DISCLOSURE COMMISSION**

33 General Fund—State Appropriation (FY 2018). ((~~\$2,697,000~~))
34 \$2,822,000

35 General Fund—State Appropriation (FY 2019). ((~~\$3,965,000~~))
36 \$4,998,000

37 Public Disclosure Transparency Account. \$22,000

38 Pension Funding Stabilization Account—State

1	Appropriation.	\$260,000
2	TOTAL APPROPRIATION.	(\$6,922,000)
3		<u>\$8,102,000</u>

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

6 (1) \$37,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for modernizing and migrating the public
8 disclosure commission's business applications from an agency-based
9 data center to the state data center or a cloud environment.

10 (2) \$875,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for the implementation of Engrossed
12 Substitute House Bill No. 2938 (campaign finance). If the bill is not
13 enacted by June 30, 2018, the amount provided in this subsection
14 shall lapse.

15 **Sec. 106.** 2018 c 299 s 119 (uncodified) is amended to read as
16 follows:

17 **FOR THE SECRETARY OF STATE**

18	General Fund—State Appropriation (FY 2018).	\$15,708,000
19	General Fund—State Appropriation (FY 2019).	(\$13,742,000)
20		<u>\$14,640,000</u>
21	General Fund—Federal Appropriation.	(\$7,793,000)
22		<u>\$7,794,000</u>
23	Public Records Efficiency, Preservation, and Access	
24	Account—State Appropriation.	\$9,219,000
25	Charitable Organization Education Account—State	
26	Appropriation.	\$673,000
27	Local Government Archives Account—State	
28	Appropriation.	\$10,942,000
29	Election Account—Federal Appropriation.	\$4,387,000
30	Washington State Heritage Center Account—State	
31	Appropriation.	\$10,626,000
32	Pension Funding Stabilization Account—State	
33	Appropriation.	(\$959,000)
34		<u>\$960,000</u>
35	TOTAL APPROPRIATION.	(\$74,049,000)
36		<u>\$74,949,000</u>

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

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

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

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

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

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

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

1 (ii) Making contributions reportable under chapter 42.17 RCW; or
2 (iii) Providing any: (A) Gift; (B) honoraria; or (C) travel,
3 lodging, meals, or entertainment to a public officer or employee.

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

7 (4) \$15,000 of the general fund—state appropriation for fiscal
8 year 2018, \$15,000 of the general fund—state appropriation for fiscal
9 year 2019, \$4,000 of the public records efficiency, preservation and
10 access account, and \$2,253,000 of the local government archives
11 account appropriation are provided solely for the implementation of
12 chapter 303, Laws of 2017 (ESHB 1594) (public records
13 administration).

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

17 (6) \$35,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$39,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for humanities Washington
20 speaker's bureau community conversations to expand programming in
21 underserved areas of the state.

22 (7) \$285,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely for implementation of House Bill No.
24 2406 (election security practices). If the bill is not enacted by
25 June 30, 2018, the amount provided in this subsection shall lapse.

26 (8) \$600,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely to reimburse King county for the cost of
28 prepaid postage on return envelopes for 2018 primary and general
29 election ballots.

30 **Sec. 107.** 2018 c 299 s 121 (uncodified) is amended to read as
31 follows:

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

33	General Fund—State Appropriation (FY 2018)	\$243,000
34	General Fund—State Appropriation (FY 2019)	(\$252,000)
35		<u>\$270,000</u>
36	Pension Funding Stabilization Account—State	
37	Appropriation	\$26,000
38	TOTAL APPROPRIATION	(\$521,000)

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

Sec. 108. 2018 c 299 s 123 (uncodified) is amended to read as follows:

FOR THE STATE AUDITOR

General Fund—State Appropriation (FY 2018)	\$28,000
General Fund—State Appropriation (FY 2019)	\$32,000
State Auditing Services Revolving Account—State	
Appropriation	(\$10,906,000)
	<u>\$10,907,000</u>
Performance Audit of Government Account—State	
Appropriation	\$3,017,000
TOTAL APPROPRIATION	(\$13,983,000)
	<u>\$13,984,000</u>

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

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

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

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

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

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

4 (e) A final report of the performance audit must be submitted to
5 the appropriate legislative policy and fiscal committees by December
6 1, 2018.

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

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

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

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

37 (c) Whether the charter school performance framework includes a
38 disaggregation of student performance data by major student
39 subgroups, including gender, race and ethnicity, poverty status,

1 special education status, English language learner status, and highly
2 capable status.

3 (4) \$700,000 of the auditing services revolving account—state
4 appropriation is provided solely for the state auditor's office to
5 conduct ten additional program or agency audits.

6 **Sec. 109.** 2018 c 299 s 125 (uncodified) is amended to read as
7 follows:

8 **FOR THE ATTORNEY GENERAL**

9	General Fund—State Appropriation (FY 2018).	\$7,868,000
10	General Fund—State Appropriation (FY 2019).	\$8,300,000
11	General Fund—Federal Appropriation.	(\$11,945,000)
12		<u>\$13,247,000</u>
13	New Motor Vehicle Arbitration Account—State	
14	Appropriation.	\$1,143,000
15	Legal Services Revolving Account—State	
16	Appropriation.	(\$251,030,000)
17		<u>\$252,517,000</u>
18	Tobacco Prevention and Control Account—State	
19	Appropriation.	\$273,000
20	Medicaid Fraud Penalty Account—State Appropriation.	(\$3,511,000)
21		<u>\$3,945,000</u>
22	Public Service Revolving Account—State	
23	Appropriation.	\$2,723,000
24	Child Rescue Fund—State Appropriation.	\$500,000
25	Local Government Archives Account—State Appropriation.	\$660,000
26	Pension Funding Stabilization Account—State	
27	Appropriation.	\$1,606,000
28	TOTAL APPROPRIATION.	(\$289,559,000)
29		<u>\$292,782,000</u>

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

32 (1) The attorney general shall report each fiscal year on actual
33 legal services expenditures and actual attorney staffing levels for
34 each agency receiving legal services. The report shall be submitted
35 to the office of financial management and the fiscal committees of
36 the senate and house of representatives no later than ninety days
37 after the end of each fiscal year. As part of its by agency report to
38 the legislative fiscal committees and the office of financial

1 management, the office of the attorney general shall include
2 information detailing the agency's expenditures for its agency-wide
3 overhead and a breakdown by division of division administration
4 expenses.

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

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

17 (4) \$353,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$353,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for a grant to the Washington
20 coalition of crime victim advocates to provide training,
21 certification, and technical assistance for crime victim service
22 center advocates.

23 (5) \$92,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$91,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for implementation of chapter
26 163, Laws of 2017 (SHB 1055) (military members/pro bono).

27 (6) \$49,000 of the legal services revolving account—state
28 appropriation is provided solely for implementation of chapter 268,
29 Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

30 (7) \$276,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$259,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for implementation of chapter
33 294, Laws of 2017 (SSB 5835) (health outcomes/pregnancy).

34 (8) \$22,000 of the legal services revolving account—state
35 appropriation is provided solely for implementation of chapter 295,
36 Laws of 2017 (SHB 1258) (first responders/disability).

37 (9) \$35,000 of the legal services revolving account—state
38 appropriation is provided solely for implementation of chapter 249,
39 Laws of 2017 (ESHB 1714) (nursing staffing/hospitals).

1 (10) \$361,000 of the legal services revolving account—state
2 appropriation and \$660,000 of the local government archives account—
3 state appropriation are provided solely for implementation of chapter
4 303, Laws of 2017 (ESHB 1594) (public records administration).

5 (11) \$40,000 of the general fund—state appropriation for fiscal
6 year 2018 is provided solely for the implementation of chapter 243,
7 Laws of 2017 (HB 1352) (small business owners).

8 (12) \$67,000 of the legal services revolving account—state
9 appropriation is provided solely for the implementation of chapter
10 320, Laws of 2017 (SSB 5322) (dentists and third parties).

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

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

19 (15) \$119,000 of the legal services revolving account—state
20 appropriation is provided solely for implementation of chapter 1,
21 Laws of 2018 (ESSB 6091).

22 (16) \$96,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely for implementation of Engrossed Second
24 Substitute Senate Bill No. 6029 (student loan bill of rights). If the
25 bill is not enacted by June 30, 2018, the amount provided in this
26 subsection shall lapse.

27 (17) \$48,000 of the legal services revolving account—state
28 appropriation is provided solely for implementation of Engrossed
29 Substitute House Bill No. 2938 (campaign finance). If the bill is not
30 enacted by June 30, 2018, the amount provided in this subsection
31 shall lapse.

32 (18) \$116,000 of the legal services revolving account—state
33 appropriation is provided solely for the implementation of Engrossed
34 Second Substitute House Bill No. 1439 (higher education student
35 protection). If the bill is not enacted by June 30, 2018, the amount
36 provided in this subsection shall lapse.

37 (19) \$72,000 of the legal services revolving account—state
38 appropriation is provided solely for the implementation of Engrossed
39 Second Substitute House Bill No. 1889 (corrections ombuds, creating).

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

3 (20) \$78,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for the implementation of Second
5 Substitute House Bill No. 1298 (job applicants/arrests). If the bill
6 is not enacted by June 30, 2018, the amount provided in this
7 subsection shall lapse.

8 (21) \$350,000 of the public service revolving account—state
9 appropriation is provided solely for additional expert witness
10 assistance for the public counsel unit.

11 **Sec. 110.** 2018 c 299 s 127 (uncodified) is amended to read as
12 follows:

13 **FOR THE DEPARTMENT OF COMMERCE**

14	General Fund—State Appropriation (FY 2018).	\$64,290,000
15	General Fund—State Appropriation (FY 2019).	(\$77,359,000)
16		<u>\$77,366,000</u>
17	General Fund—Federal Appropriation.	(\$295,840,000)
18		<u>\$300,941,000</u>
19	General Fund—Private/Local Appropriation.	\$8,922,000
20	Public Works Assistance Account—State	
21	Appropriation.	\$8,086,000
22	Drinking Water Assistance Administrative	
23	Account—State Appropriation.	\$507,000
24	Lead Paint Account—State Appropriation.	\$237,000
25	Building Code Council Account—State Appropriation.	\$15,000
26	Home Security Fund Account—State Appropriation.	\$54,268,000
27	Affordable Housing for All Account—State	
28	Appropriation.	\$13,866,000
29	Financial Fraud and Identity Theft Crimes	
30	Investigation and Prosecution Account—State	
31	Appropriation.	\$1,974,000
32	Low-Income Weatherization and Structural	
33	Rehabilitation Assistance Account—State	
34	Appropriation.	\$1,398,000
35	Community and Economic Development Fee Account—State	
36	Appropriation.	\$4,628,000
37	Washington Housing Trust Account—State	
38	Appropriation.	\$12,615,000

1	Prostitution Prevention and Intervention Account—	
2	State Appropriation.	\$26,000
3	Public Facility Construction Loan Revolving	
4	Account—State Appropriation.	\$841,000
5	Drinking Water Assistance Account—State	
6	Appropriation.	\$44,000
7	Liquor Revolving Account—State Appropriation.	\$5,613,000
8	Energy Freedom Account—State Appropriation.	\$5,000
9	Liquor Excise Tax Account—State Appropriation.	\$663,000
10	Economic Development Strategic Reserve Account—State	
11	Appropriation.	\$2,648,000
12	Financial Services Regulation Account—State	
13	Appropriation.	\$468,000
14	Pension Funding Stabilization Account—State	
15	Appropriation.	\$1,618,000
16	Statewide Tourism Marketing Account—State	
17	Appropriation.	\$1,500,000
18	Life Sciences Discovery Account—State	
19	Appropriation.	\$50,000
20	TOTAL APPROPRIATION.	((\$557,481,000))
21		<u>\$562,589,000</u>

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

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

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

1 (3) \$375,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$375,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for a grant to the retired
4 senior volunteer program.

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

9 (5) \$375,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$375,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely as pass-through funding to Walla
12 Walla Community College for its water and environmental center.

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

20 (7) \$5,607,000 of the liquor revolving account—state
21 appropriation is provided solely for the department to contract with
22 the municipal research and services center of Washington.

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

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

37 (9) \$700,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$1,436,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for the department to identify

1 and invest in strategic growth areas, support key sectors, and align
2 existing economic development programs and priorities. The department
3 must consider Washington's position as the most trade-dependent state
4 when identifying priority investments. The department must engage
5 states and provinces in the northwest as well as associate
6 development organizations, small business development centers,
7 chambers of commerce, ports, and other partners to leverage the funds
8 provided. Sector leads established by the department must include the
9 industries of: (a) Tourism; (b) agriculture, wood products, and other
10 natural resource industries; and (c) clean technology and renewable
11 and nonrenewable energy. The department may establish these sector
12 leads by hiring new staff, expanding the duties of current staff, or
13 working with partner organizations and or other agencies to serve in
14 the role of sector lead.

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

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

23 (12) \$150,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$150,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for the expansion of the current
26 long-term care ombuds program to meet the immediate needs of
27 individuals by advocating on behalf of and protecting residents of
28 long-term care facilities from abuse, neglect, and exploitation.

29 (13) Within existing resources, the department of commerce shall
30 consult with key crime victim services stakeholders to inform
31 decisions about the funding distribution for federal fiscal years
32 2017-2019 victims of crime act victim assistance funding. These
33 stakeholders must include, at a minimum, children's advocacy centers
34 of Washington, Washington association of prosecuting attorneys,
35 Washington association of sheriffs and police chiefs, Washington
36 coalition against domestic violence, Washington coalition of sexual
37 assault programs, Washington coalition of crime victim advocates, at
38 least one representative from a child health coalition, and other
39 organizations as determined by the department. Funding distribution
40 considerations shall include, but are not limited to, geographic

1 distribution of services, underserved populations, age of victims,
2 best practices, and the unique needs of individuals, families, youth,
3 and children who are victims of crime.

4 (14) \$643,000 of the liquor excise tax account—state
5 appropriation is provided solely for the department of commerce to
6 provide fiscal note assistance to local governments.

7 (15) \$300,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$300,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for the northwest agriculture
10 business center.

11 (16) \$150,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$150,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for the regulatory roadmap
14 program for the construction industry and to identify and coordinate
15 with businesses in key industry sectors to develop additional
16 regulatory roadmap tools.

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

22 (18) \$94,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$253,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for implementation of chapter
25 268, Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

26 (19) \$60,000 of the general fund—state appropriation for fiscal
27 year 2018 is provided solely as a grant to the Hoh Indian tribe for
28 critical infrastructure, including a backup electrical power
29 generator to address recurrent power outages in the community.

30 (20) \$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 for capacity-building grants
33 through the Latino community fund to promote and improve education,
34 economic empowerment, arts and culture, civic engagement, health, and
35 environmental justice for Latino communities in Washington state.

36 (21) \$643,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$643,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for the department to contract

1 with a private, nonprofit organization to provide developmental
2 disability ombuds services.

3 (22) \$39,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$39,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for implementation of chapter
6 290, Laws of 2017 (ESHB 1109) (victims of sexual assault).

7 (23) \$1,000,000 of the home security fund—state appropriation,
8 \$2,000,000 of the Washington housing trust account—state
9 appropriation, and \$1,000,000 of the affordable housing for all
10 account—state appropriation are provided solely for the department of
11 commerce for services to homeless families and youth through the
12 Washington youth and families fund.

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

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

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

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

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

35 (25) \$140,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$140,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely to create a behavioral health
38 supportive housing administrator within the department to coordinate
39 development of effective behavioral health housing options and

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

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

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

21 (27) \$990,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$1,980,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for 150 community beds for
24 individuals with a history of mental illness. Currently, there is
25 little to no housing specific to populations with these co-occurring
26 disorders; therefore, the department must consider how best to
27 develop new bed capacity in combination with individualized support
28 services, such as intensive case management and care coordination,
29 clinical supervision, mental health, substance abuse treatment, and
30 vocational and employment services. Case-management and care
31 coordination services must be provided. Increased case-managed
32 housing will help to reduce the use of jails and emergency services
33 and will help to reduce admissions to the state psychiatric
34 hospitals. The department must coordinate with the health care
35 authority and the department of social and health services in
36 establishing conditions for the awarding of these funds. The
37 department must contract with local entities to provide a mix of (a)
38 shared permanent supportive housing; (b) independent permanent
39 supportive housing; and (c) low and no-barrier housing beds for

1 people with a criminal history, substance abuse disorder, and/or
2 mental illness.

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

7 (28) \$557,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$557,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for the department to design and
10 administer the achieving a better life experience program.

11 (29) \$512,000 of the general fund—state appropriation for fiscal
12 year 2018 is provided solely to complete the requirements of the
13 agricultural labor skills and safety grant program in chapter 43.330
14 RCW. This program expires July 1, 2018.

15 (30) \$150,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$150,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for the implementation of
18 chapter 225, Laws of 2017 (SSB 5713) (skilled worker program).

19 (31) \$50,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$50,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for the wildfire project in the
22 Wenatchee valley to provide public education on wildfire and forest
23 health issues.

24 (32) \$167,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$167,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for community mobilization
27 grants to safe Yakima and safe streets of Tacoma to foster community
28 engagement through neighborhood organizing, law enforcement-community
29 partnerships, neighborhood watch programs, youth mobilization, and
30 business engagement.

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

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

13 (b) An eligible applicant:

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

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

18 (iii) Has an identified gang problem;

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

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

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

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

28 (c) The grant recipient must:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (34)(a) During the 2017-2019 fiscal biennium, the department must
23 revise its agreements and contracts with vendors to include a
24 provision to require that each vendor agrees to equality among its
25 workers by ensuring similarly employed individuals are compensated as
26 equals as 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 department or department of enterprise services determines
8 that the vendor is not in compliance with this agreement or contract
9 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 (35) \$102,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$75,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for the implementation of
15 chapter 315, Laws of 2017 (ESB 5128) (incremental energy).

16 (36) \$26,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$12,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for the implementation of
19 chapter 279, Laws of 2017 (SHB 1988) (vulnerable youth guardians).

20 (37) \$468,000 of the financial services regulation account—state
21 appropriation is provided solely for the family prosperity account
22 program.

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

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

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

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

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

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

5 (b) The study must include the following:

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

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

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

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

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

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

39 (41) \$40,000 of the general fund—state appropriation for fiscal
40 year 2018 and \$40,000 of the general fund—state appropriation for

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

4 (42) \$200,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$200,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for implementation of Second
7 Substitute Senate Bill No. 5254 (buildable lands and zoning). If this
8 bill is not enacted by July 31, 2017, the amounts provided in this
9 subsection shall lapse.

10 (43) \$700,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$600,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for staff and upgrades to the
13 homeless management information system.

14 (44) \$50,000 of the general fund—state appropriation for fiscal
15 year 2018 is provided solely for the department to conduct a study on
16 the current state of data center industry in Washington and whether
17 changes to existing state policies would result in additional
18 investment and job creation in Washington as well as advance the
19 development of the state's technology ecosystems. The study is due to
20 the appropriate committees of the legislature by December 1, 2017.

21 (45) \$500,000 of the general fund—state appropriation for 2018 is
22 provided solely for the department to formulate a statewide tourism
23 marketing plan in collaboration with a nonprofit statewide tourism
24 organization as provided in Substitute Senate Bill No. 5251.

25 (46) \$80,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$80,000 of the general fund—state appropriation for
27 fiscal year 2019 is provided solely as a grant to Klickitat county
28 for a land use planner to process a backlog of permits that have not
29 been processed by the Columbia river gorge commission due to lack of
30 funds.

31 (47) (a) \$500,000 of the general fund—state appropriation for
32 fiscal year 2019 is provided solely for a contract to study and
33 report on independent contractor employment in Washington state. The
34 contractor shall provide to the department an interim report to
35 include a substantive update by November 1, 2018. The contractor
36 report shall be provided to the department by June 1, 2019. The
37 report must include information on the needs of workers earning
38 income as independent contractors including sources of income, the

1 amount of their income derived from independent work, and a
2 discussion of the benefits provided to such workers.

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

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

8 (ii) Representatives of labor unions;

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

11 (iv) Individuals from business and industry.

12 (48) \$1,070,000 of the general fund—state appropriation for
13 fiscal year 2019 is provided solely for the department to expand the
14 small business export assistance program and ensure that at least one
15 new employee is located outside the city of Seattle for purposes of
16 assisting rural businesses with export strategies; and for continuing
17 the economic gardening program.

18 (49) \$1,500,000 of the statewide tourism marketing account—state
19 appropriation is provided solely for implementation of Engrossed
20 Fourth Substitute Senate Bill No. 5251 (tourism marketing). Of the
21 amount appropriated, \$198,000 is provided solely for expenditures of
22 the department that are related to implementation of the statewide
23 tourism marketing program and operation of the authority. If the bill
24 is not enacted by June 30, 2018, the amount provided in this
25 subsection shall lapse.

26 (50) \$96,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely for implementation of Substitute Senate
28 Bill No. 6175 (common interest ownership). If the bill is not enacted
29 by June 30, 2018, the amount provided in this subsection shall lapse.

30 (51) \$1,576,000 of the general fund—state appropriation for
31 fiscal year 2019 is provided solely for administration and pass-
32 through funding to assist Whatcom, Snohomish, King, Pierce, Kitsap,
33 Thurston, and Clark counties with the implementation of chapter 16,
34 Laws of 2017 3rd sp.s. (E2SSB 5254).

35 (52) \$50,000 of the general fund—state appropriation for fiscal
36 year 2019 is provided solely for the city of Issaquah to host a
37 regional or national sports medicine conference.

38 (53) \$149,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the department to fund a pilot

1 project in Clark county to increase access to local workforce
2 training. Funding must be used to contract with Partners in Careers
3 to complete an assessment of basic literacy skills in connection to
4 classes at Clark college or other programs to support the reading and
5 math skills needed to complete workforce training; for case
6 management to connect job seekers to community resources; and to
7 support first time users or returners navigating the WorkSource
8 system and engagement in on-the-job training and industry specific
9 training in high demand fields.

10 (54) \$11,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for a grant to the city of Port Angeles
12 for the cost of analyzing bio char samples for evidence of dioxins,
13 PAHs, and flame retardants and any other chemical compounds through a
14 certified laboratory. Analysis results must be shared with local
15 interest groups.

16 (55) \$20,000 of the general fund—state appropriation for fiscal
17 year 2019 is provided solely for the office of homeless youth
18 prevention and protection programs to conduct a survey of homeless
19 youth service and informational gaps, especially in nonurban areas,
20 with an emphasis on providing nonurban school districts with adequate
21 informational resources related to homeless youth and youth in crisis
22 services available in their community.

23 (~~(57)~~) (56) \$150,000 of the general fund—state appropriation
24 for fiscal year 2019 is provided solely for a grant to the city of
25 Yakima to establish a gang prevention pilot program. The pilot
26 program shall have the goal of creating a sustainable organized
27 response to gang activity utilizing evidence-based resources.

28 (~~(58)~~) (57) \$125,000 of the general fund—state appropriation
29 for fiscal year 2019 is provided solely for a grant to the Seattle
30 science foundation to develop a comprehensive 3D spinal cord atlas
31 with the goal of providing clinicians and researchers with a digital
32 map of the spinal cord.

33 (~~(59)~~) (58) \$250,000 of the general fund—state appropriation
34 for fiscal year 2019 is provided solely for the department to
35 contract with the Washington state microenterprise association to
36 assist people with limited incomes in nonmetro areas of the state to
37 start and sustain small businesses and embrace the effects of
38 globalization.

1 (~~(60)~~) (59) \$240,000 of the general fund—state appropriation
2 for fiscal year 2019 is provided solely for the implementation of
3 Substitute House Bill No. 2367 (child care collaboration task force).
4 If the bill is not enacted by June 30, 2018, the amount provided in
5 this subsection shall lapse.

6 (~~(61)~~) (60) \$174,000 of the general fund—state appropriation
7 for fiscal year 2019 is provided solely for the implementation of
8 Third Substitute House Bill No. 2382 (surplus public property). If
9 the bill is not enacted by June 30, 2018, the amount provided in this
10 subsection shall lapse.

11 (~~(62)~~) (61) \$31,000 of the general fund—state appropriation for
12 fiscal year 2019 is provided solely for the implementation of
13 Substitute House Bill No. 2667 (essential needs/ABD programs). If the
14 bill is not enacted by June 30, 2018, the amount provided in this
15 subsection shall lapse.

16 (~~(63)~~) (62) (a) \$300,000 of the general fund—state appropriation
17 for fiscal year 2019 and \$300,000 of the general fund—local
18 appropriation are provided solely for the department to contract with
19 a consultant to study the current and ongoing impacts of the SeaTac
20 international airport. The general fund—state funding provided in
21 this subsection serves as a state match and may not be spent unless
22 \$300,000 of local matching funds is transferred to the department.
23 The department must seek feedback on project scoping and consultant
24 selection from the cities listed in (b) of this subsection.

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

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

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

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

1 (d) The study must be delivered to the legislature by December 1,
2 2019.

3 (~~(64)~~) (63) (a) \$125,000 of the general fund—state appropriation
4 for fiscal year 2019 is provided solely for the department of
5 commerce to provide a grant to a nonprofit organization to assist
6 fathers transitioning from incarceration to family reunification. The
7 grant recipient must have experience contracting with:

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

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

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

17 (~~(65)~~) (64) \$1,000,000 of the general fund—state appropriation
18 for fiscal year 2019 is provided solely for the department of
19 contract with organizations and attorneys to provide legal
20 representation and/or referral services for legal representation to
21 indigent persons who are in need of legal services for matters
22 related to their immigration status. Persons eligible for assistance
23 under this contract must be determined to be indigent under standards
24 developed under chapter 10.101 RCW.

25 (~~(66)~~) (65) \$150,000 of the general fund—state appropriation
26 for fiscal year 2019 is provided solely for a small business
27 innovation exchange project to increase economic development
28 opportunities for women, minority, and veteran owned small businesses
29 in the south King county region.

30 (~~(67)~~) (66) \$100,000 of the general fund—state appropriation
31 for fiscal year 2019 is provided solely for a grant to the city of
32 Federal Way for an emergency shelter to serve homeless families with
33 children.

34 (~~(68)~~) (67) \$250,000 of the general fund—state appropriation
35 for fiscal year 2019 is provided solely for capacity-building grants
36 through the united Indians of all tribes foundation to promote and
37 improve educational, cultural, and social services for Native
38 American communities in Washington state.

1 ~~((69))~~ (68) \$41,000 of the general fund—state appropriation for
2 fiscal year 2019 is provided solely for the implementation of
3 Substitute House Bill No. 2101 (sexual assault nurse examiners). If
4 the bill is not enacted by June 30, 2018, the amount provided in this
5 subsection shall lapse.

6 ~~((70))~~ (69) \$40,000 of the general fund—state appropriation for
7 fiscal year 2018 and \$100,000 of the general fund—state appropriation
8 for fiscal year 2019 are provided solely for a grant to the Douglas
9 county associate development organization that serves on the core
10 leadership team of the Wenatchee valley's our valley our future
11 community and economic development program to support communities
12 adversely impacted by wildfire damage and the reduction of aluminum
13 smelter facilities.

14 ~~((71))~~ (70) \$800,000 of the general fund—state appropriation
15 for fiscal year 2019 is provided solely for providing grants for a
16 criminal justice diversion center pilot program in Snohomish county.
17 Snohomish county must collect and report data from the pilot program
18 to the department of commerce. The department must submit a report to
19 the appropriate committees of the legislature by October 1, 2019. The
20 report must contain, at a minimum:

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

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

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

27 (d) The number of individuals served by the pilot program who
28 were connected to a detoxification program, completed a
29 detoxification program, completed a chemical dependency assessment,
30 completed chemical dependency treatment, or were connected to
31 housing.

32 ~~((72))~~ (71) \$5,869,000 of the home security fund account—state
33 appropriation is provided solely for implementation of Engrossed
34 Second Substitute House Bill No. 1570 (homeless housing and
35 assistance). If the bill is not enacted by June 30, 2018, the amount
36 provided in this subsection shall lapse.

37 ~~((73))~~ (72) \$250,000 of the general fund—state appropriation is
38 provided solely for a grant to a museum to assist with armistice day
39 activities in schools and other community settings to celebrate the

1 100th anniversary of World War I and armistice day. Funding must be
2 used for a World War I America museum exhibit, new curriculum,
3 teacher training, student and classroom visits, and visits from
4 veterans and active duty military.

5 ~~((74))~~ (73) \$226,000 of the general fund—state appropriation
6 for fiscal year 2019 is provided solely to expand the state's
7 capacity to enforce the lead-based paint program.

8 ~~((75))~~ (74) \$60,000 of the general fund—state appropriation for
9 fiscal year 2019 is provided solely for the department to submit the
10 necessary Washington state membership dues for the Pacific Northwest
11 economic region.

12 ~~((76))~~ (75) \$50,000 of the life sciences discovery fund—state
13 appropriation is provided solely for grants as generally described in
14 chapter 43.350 RCW.

15 ~~((77))~~ (76) \$188,000 of the general fund—state appropriation
16 for fiscal year 2019 is provided solely for implementation of
17 Substitute House Bill No. 1022 (crime victim participation). If the
18 bill is not enacted by June 30, 2018, the amount provided in this
19 subsection shall lapse.

20 ~~((78))~~ (77) \$62,000 of the general fund—state appropriation for
21 fiscal year 2018 and \$116,000 of the general fund—state appropriation
22 for fiscal year 2019 are provided solely for the implementation of
23 Substitute House Bill No. 2580 (renewable natural gas). If the bill
24 is not enacted by June 30, 2018, the amounts provided in this
25 subsection shall lapse.

26 ~~((79))~~ (78) \$200,000 of the general fund—state appropriation
27 for fiscal year 2019 is provided solely for the department of
28 commerce to (a) develop a state economic growth strategy related to
29 accelerating technology innovation; and (b) establish the feasibility
30 and devise a plan for establishing a manufacturing innovation
31 institute.

32 **Sec. 111.** 2018 c 299 s 129 (uncodified) is amended to read as
33 follows:

34 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

35	General Fund—State Appropriation (FY 2018)	\$11,775,000
36	General Fund—State Appropriation (FY 2019)	\$12,440,000
37	General Fund—Federal Appropriation	\$39,714,000
38	General Fund—Private/Local Appropriation	(\$843,000)

1		<u>\$844,000</u>
2	Economic Development Strategic Reserve Account—State	
3	Appropriation.	\$314,000
4	Recreation Access Pass Account—State Appropriation.	\$75,000
5	Personnel Service Fund—State Appropriation.	((\$8,891,000))
6		<u>\$8,991,000</u>
7	Higher Education Personnel Services Account—State	
8	Appropriation.	\$1,497,000
9	Performance Audits of Government Account—State	
10	Appropriation.	\$620,000
11	Statewide Information Technology System Development	
12	Revolving Account—State Appropriation.	\$10,022,000
13	OFM Central Services—State Appropriation.	\$19,280,000
14	Pension Funding Stabilization Account—State	
15	Appropriation.	\$2,448,000
16	TOTAL APPROPRIATION.	((\$107,919,000))
17		<u>\$108,020,000</u>

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

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

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

- 32 (i) The number of state need grant recipients;
- 33 (ii) The number of students on the unserved waiting list of the
34 state need grant;
- 35 (iii) Persistence and completion rates of state need grant
36 recipients and students on the state need grant unserved waiting
37 list, disaggregated by institutions of higher education;
- 38 (iv) State need grant recipients and students on state need grant
39 unserved waiting list grade point averages; and

1 (v) State need grant program costs.

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

5 (3) \$149,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$144,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely to implement chapter 172, Laws
8 of 2017 (SHB 1741) (educator preparation data/PESB).

9 (4) \$84,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$75,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely to implement chapter 53, Laws of
12 2017 (2SHB 1120) (regulatory fairness act).

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

27 (6) \$500,000 of the general fund—state appropriation for fiscal
28 year 2018, \$131,000 of the general fund—state appropriation for
29 fiscal year 2019, and \$139,000 of the personnel service account—state
30 appropriation are provided solely for implementation of Engrossed
31 Second Substitute House Bill No. 1661 (children, youth, families
32 department). The cost allocation contract must include a
33 determination of the amount of administrative funding to be
34 transferred between appropriations in sections 223(1) and 223(2) of
35 this act to section 222(3) of this act for the new department of
36 children, youth, and families. If the bill is not enacted by July 31,
37 2017, the amounts provided in this subsection shall lapse.

38 (7) \$8,022,000 of the statewide information technology system
39 development revolving account—state appropriation is provided solely

1 for readiness activities related to the One Washington replacement
2 project to modernize and improve administrative systems and related
3 business processes across state government over a multi-biennia time
4 period and this project is subject to the conditions, limitations,
5 and review provided in section 724 of this act. The funding provided
6 in this subsection is for conducting business warehouse planning and
7 system integrations and contracting with a strategic partner for the
8 design of the long-term program blueprint detailing the readiness,
9 planning, and implementation activities related to this project.
10 Legislative expectation is that the strategic partner selected for
11 this design of this long-term blueprint will have proven experience
12 in successfully managing similar efforts in other states or
13 jurisdictions and that the ultimate project scope will integrate
14 performance information and provide information on discrete units of
15 costs for state governmental activities with the goal of improved
16 management and efficiency. The office of financial management will
17 provide the needed management support for this design effort and will
18 ensure that state agencies fully participate in this initial design
19 effort, including the office of chief information officer. The office
20 of financial management will provide quarterly reports to the
21 legislative fiscal committees and the legislative evaluation and
22 accountability program committee. Before submitting additional
23 funding requests for this project, the office of financial management
24 will submit a comprehensive detailed feasibility study and financial
25 plan for the project to the legislative evaluation and accountability
26 program committee.

27 (8) \$4,000,000 of the general fund—federal appropriation is
28 provided solely for the procurement and implementation of the
29 Washington state all payer claims database project and this project
30 is subject to the conditions, limitations, and review provided in
31 section 724 of this act.

32 (9) \$140,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$140,000 of the general fund—federal appropriation are
34 provided solely for the authority to incorporate long-term inpatient
35 care as defined in RCW 71.24.025 into the psychiatric managed care
36 capitation risk model. The model shall be submitted to the governor
37 and appropriate committees of the legislature by December 1, 2017.
38 The model must integrate civil inpatient psychiatric hospital
39 services including ninety and one hundred eighty day commitments

1 provided in state hospitals or community settings into medicaid
2 managed care capitation rates and nonmedicaid contracts. The model
3 should phase-in the financial risk such that managed care
4 organizations bear full financial risk for long-term civil inpatient
5 psychiatric hospital commitments beginning January 2020. The model
6 must address strategies to ensure that the state is able to maximize
7 the state's allotment of federal disproportionate share funding.

8 (10) The office of financial management will convene a work group
9 consisting of the department of social and health services and
10 appropriate fiscal and policy staff from the house of representatives
11 office of program research and senate committee services for the
12 purpose of reviewing language traditionally added to section 201 in
13 supplemental operating omnibus appropriations acts to allow the
14 department to transfer moneys between sections of the act and to
15 allow for moneys that are provided solely for a specified purpose to
16 be used for other than that purpose. The work group will review the
17 department's use of the language, develop options to reduce or
18 eliminate the need for this language, and explore revisions to the
19 language. The work group must also discuss alternatives to the
20 language to achieve the shared goal of balancing expenditures to
21 appropriation while preserving the legislature's ability to direct
22 policy through appropriation. Alternatives should include increased
23 use of supplemental budget decision packages, the creation of a
24 reserve fund for unanticipated expenditures, and other measures the
25 work group develops.

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

32 (12) \$75,000 of the recreation access pass account—state
33 appropriation is provided solely for the office of financial
34 management, in consultation with the parks and recreation commission,
35 department of natural resources, and department of fish and wildlife,
36 to further analyze the cost and revenue potential of the options and
37 recommendations in *Recreation Fees in Washington: Options and*
38 *Recommendations* (The William D. Ruckelshaus Center, December 2017).
39 The office must collaborate with other relevant agencies and
40 appropriate stakeholders. The office must provide a report to the

1 appropriate committees of the legislature by September 1, 2018. For
2 each of the options, the report must:

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

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

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

11 (d) Identify fiscal impacts of changing the state access pass to
12 each of the options identified including any combination state and
13 federal recreational access pass options; and

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

17 (13) \$1,000,000 of the general fund—state appropriation for
18 fiscal year 2018 is provided solely to support the implementation of
19 the department of children, youth, and families. The department must
20 submit an expenditure plan to the office of financial management and
21 may expend implementation funds after the approval of the director of
22 the office of financial management.

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

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

29 (16) \$75,000 of the general fund—state appropriation for fiscal
30 year 2019 is provided solely for implementation of chapter 192, Laws
31 of 2017 (SB 5849).

32 (17) \$192,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$288,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for the office of financial
35 management to contract with an entity or entities with expertise in
36 public finance, commercial, and public banking to:

37 (a) Evaluate the benefits and risks of establishing and operating
38 a state-chartered, public cooperative bank in the state of
39 Washington, specifically including the business and operational

1 issues raised by the 2017 infrastructure and public depository task
2 force; and

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

- 11 (i) Identification of potential members of the bank;
- 12 (ii) The capital structure that would be necessary;
- 13 (iii) Potential products the bank might offer;
- 14 (iv) Projections of earnings;
- 15 (v) Recommendations on corporate governance, accountability, and
16 assurances;
- 17 (vi) Legal, constitutional, and regulatory issues;
- 18 (vii) If needed, how to obtain a federal master account and join
19 the federal reserve;
- 20 (viii) Information technology security and cybersecurity;
- 21 (ix) Opportunities for collaborating with other financial
22 institutions;
- 23 (x) Impacts on the state's debt limit;
- 24 (xi) In the event of failure, the risk to taxpayers, including
25 any impact on Washington's bond rating and reputation;
- 26 (xii) Potential effects on the budgets and existing state
27 agencies programs; and
- 28 (xiii) Other items necessary to establish a state-chartered,
29 public cooperative bank modeled after the federal home loan bank or
30 other similar institution.

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

39 (18) \$25,000 of the general fund—state appropriation for fiscal
40 year 2018 and \$125,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided to the education research and data
2 center within the office of financial management for the sole purpose
3 of providing a report to the appropriate committees of the
4 legislature by January 1, 2019, on postsecondary enrollment and
5 completion of Washington students with demographic information
6 included on race, ethnicity, gender, students with disabilities,
7 English language proficiency, income level, region, and types of
8 credentials, including but not limited to in- and out-of-state public
9 and private traditional two- and four-year degree granting
10 institutions, private vocational schools, state apprenticeship
11 programs, and professional licenses. The appropriation must also be
12 used to respond to data requests from researchers outside of state
13 agencies and to develop a plan for improving data governance for more
14 accurate and timely responses.

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

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

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

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

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

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

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

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

1 (i) Review the current sentencing grid and recommend changes to
2 simplify the grid and increase judicial discretion, including, but
3 not limited to: Reviewing and simplifying RCW 9.94A.501, 9.94A.505,
4 9.94A.525, and 9.94A.533; reviewing and simplifying the sentencing
5 grid under RCW 9.94A.510 by reducing the number of cells in the grid
6 and creating broader sentencing ranges for lower level offenses;
7 reviewing and revising seriousness levels under RCW 9.94A.515 to
8 ensure offenses have appropriately designated seriousness levels;
9 reviewing the drug sentencing grid under RCW 9.94A.517 and 9.94A.518
10 to determine if drug offenses can be incorporated into a new or
11 revised sentencing grid; and reviewing minimum term requirements
12 under RCW 9.94A.540 to avoid inconsistencies with proposed changes to
13 the grid and other sentencing policies;

14 (ii) Review mitigating and aggravating factors under RCW
15 9.94A.535 and sentencing enhancements under RCW 9.94A.533, including
16 mandatory consecutive requirements, and recommend changes to reflect
17 current sentencing purposes and policies and case law;

18 (iii) Review fines, fees, and other legal financial obligations
19 associated with criminal convictions, including, but not limited to,
20 a review of: Fines under RCW 9.94A.550; restitution under RCW
21 9.94A.750; and legal financial obligations under RCW 9.94A.760;

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

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

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

36 **Sec. 112.** 2018 c 299 s 130 (uncodified) is amended to read as
37 follows:

38 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

39 General Fund—State Appropriation (FY 2019) \$525,000

1	Administrative Hearings Revolving Account—State	
2	Appropriation.	\$41,152,000
3	<u>TOTAL APPROPRIATION.</u>	<u>\$41,677,000</u>

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

6 (1) \$250,000 of the administrative hearings revolving account—
7 state appropriation is provided solely for the agency, in
8 collaboration with the office of financial management, to conduct a
9 review of the agency's fee structure, billing methodology, and
10 assumptions about employee productivity which impact the fee
11 structure and billing methodology.

12 (2) \$525,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for the purposes of settling all claims
14 related to and meeting the terms of the settlement agreement in
15 Turner v. Washington State Office of Administrative Hearings, King
16 county superior court, cause no. 14-2-06169-2. The expenditure of
17 this appropriation is contingent on the release of all claims in the
18 case, and the total settlement costs shall not exceed the
19 appropriation in this section. If settlement is not fully executed
20 and accepted by the court through the issuance of a court order
21 dismissing this case by June 30, 2019, the appropriation in this
22 section shall lapse.

23 **Sec. 113.** 2018 c 299 s 132 (uncodified) is amended to read as
24 follows:

25 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

26	General Fund—State Appropriation (FY 2018).	\$255,000
27	General Fund—State Appropriation (FY 2019).	((\$255,000))
28		<u>\$260,000</u>
29	Pension Funding Stabilization Account—State	
30	Appropriation.	\$26,000
31	TOTAL APPROPRIATION.	((\$536,000))
32		<u>\$541,000</u>

33 **Sec. 114.** 2018 c 299 s 135 (uncodified) is amended to read as
34 follows:

35 **FOR THE DEPARTMENT OF REVENUE**

36	General Fund—State Appropriation (FY 2018).	((\$129,925,000))
37		<u>\$129,895,000</u>

1	General Fund—State Appropriation (FY 2019).	((\$135,392,000))
2		<u>\$136,327,000</u>
3	Timber Tax Distribution Account—State	
4	Appropriation.	\$6,765,000
5	Waste Reduction/Recycling/Litter Control—State	
6	Appropriation.	\$156,000
7	State Toxics Control Account—State Appropriation.	\$111,000
8	Business License Account—State Appropriation.	\$16,640,000
9	Performance Audits of Government Account—State	
10	Appropriation.	\$4,640,000
11	Pension Funding Stabilization Account—State	
12	Appropriation.	\$13,488,000
13	Financial Services Regulation Account—State	
14	Appropriations.	\$5,000,000
15	TOTAL APPROPRIATION.	((\$312,117,000))
16		<u>\$313,022,000</u>

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

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

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

1 (3) \$8,028,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$6,304,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for the implementation of House
4 Bill No. 2163 (revenue). If the bill is not enacted by July 31, 2017,
5 the amounts provided in this subsection shall lapse.

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

10 ((+7)) (5) \$96,000 of the general fund—state appropriation for
11 fiscal year 2019 is provided solely for the implementation of
12 Engrossed Fourth Substitute Senate Bill No. 5251 (tourism marketing).
13 If the bill is not enacted by June 30, 2018, the amount provided in
14 this subsection shall lapse.

15 **Sec. 115.** 2018 c 299 s 136 (uncodified) is amended to read as
16 follows:

17 **FOR THE BOARD OF TAX APPEALS**

18	General Fund—State Appropriation (FY 2018)	\$1,565,000
19	General Fund—State Appropriation (FY 2019)	((\$2,254,000))
20		<u>\$2,326,000</u>
21	Pension Funding Stabilization Account—State	
22	Appropriation	\$162,000
23	TOTAL APPROPRIATION	((\$3,981,000))
24		<u>\$4,053,000</u>

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

31 **Sec. 116.** 2018 c 299 s 138 (uncodified) is amended to read as
32 follows:

33 **FOR THE INSURANCE COMMISSIONER**

34	General Fund—Federal Appropriation	\$4,613,000
35	Insurance Commissioners Regulatory Account—State	
36	Appropriation	\$60,310,000
37	TOTAL APPROPRIATION	\$64,923,000

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

3 (1) \$48,000 of the insurance commissioners regulatory account—
4 state appropriation is provided solely for implementation of chapter
5 103, Laws of 2017 (EHB 1450) (title insurance rating orgs.).

6 (2) \$12,000 of the insurance commissioners regulatory account—
7 state appropriation is provided solely for implementation of chapter
8 49, Laws of 2017 (SHB 1027) (surplus line broker licenses).

9 (3) \$29,000 of the insurance commissioners regulatory account—
10 state appropriation is provided solely for implementation of Senate
11 Bill No. 6059 (insurer annual disclosures). (~~If the bill is not
12 enacted by June 30, 2018, the amount provided in this subsection
13 shall lapse.~~)

14 (4) \$40,000 of the insurance commissioners regulatory account—
15 state appropriation is provided solely for implementation of
16 Substitute Senate Bill No. 6219 (reproductive health coverage). (~~If
17 the bill is not enacted by June 30, 2018, the amount provided in this
18 subsection shall lapse.~~)

19 (5) \$39,000 of the insurance commissioners regulatory account—
20 state appropriation is provided solely for implementation of Senate
21 Bill No. 5912 (tomosynthesis/mammography). (~~If the bill is not
22 enacted by June 30, 2018, the amount provided in this subsection
23 shall lapse.~~)

24 (6) \$29,000 of the insurance commissioners regulatory account—
25 state appropriation is provided solely for implementation of
26 Engrossed Substitute ((Senate)) House Bill No. ((6241—(school
27 employees' benefits). If the bill is not enacted by June 30, 2018,
28 the amount provided in this subsection shall lapse.)) 2408
29 (individual market health care coverage - availability).

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

35 **Sec. 117.** 2018 c 299 s 142 (uncodified) is amended to read as
36 follows:

37 **FOR THE MILITARY DEPARTMENT**

38 General Fund—State Appropriation (FY 2018). \$7,040,000

1	General Fund—State Appropriation (FY 2019)	\$8,992,000
2	General Fund—Federal Appropriation.	\$117,160,000
3	Enhanced 911 Account—State Appropriation.	\$53,466,000
4	Disaster Response Account—State Appropriation.	(\$42,007,000)
5		<u>\$42,637,000</u>
6	Disaster Response Account—Federal Appropriation.	(\$118,587,000)
7		<u>\$126,803,000</u>
8	Military Department Rent and Lease Account—State	
9	Appropriation.	\$615,000
10	Worker and Community Right-to-Know Account—State	
11	Appropriation.	\$2,337,000
12	Oil Spill Prevention Account—State Appropriation.	\$1,027,000
13	Pension Funding Stabilization Account—State	
14	Appropriation.	\$1,243,000
15	Military Department Active State Service	
16	Account—State Appropriation.	\$200,000
17	TOTAL APPROPRIATION.	(\$352,674,000)
18		<u>\$361,520,000</u>

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

21 (1) The military department shall submit a report to the office
22 of financial management and the legislative fiscal committees on
23 February 1st, July 31st, and October 31st of each year detailing
24 information on the disaster response account, including: (a) The
25 amount and type of deposits into the account; (b) the current
26 available fund balance as of the reporting date; and (c) the
27 projected fund balance at the end of the 2017-2019 biennium based on
28 current revenue and expenditure patterns.

29 (2) \$40,000,000 of the general fund—federal appropriation is
30 provided solely for homeland security, subject to the following
31 conditions: Any communications equipment purchased by local
32 jurisdictions or state agencies shall be consistent with standards
33 set by the Washington state interoperability executive committee.

34 (3) \$100,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$100,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for the conditional scholarship
37 program pursuant to chapter 28B.103 RCW.

38 (4) \$5,389,000 of the enhanced 911 account—state appropriation is
39 provided solely for transitioning to an internet protocol based next

1 generation 911 network and increased network costs during the
2 transition and hardware required for the new system. The department's
3 activities and procurement is a major information technology project
4 subject to oversight and review by the office of the chief
5 information officer.

6 (5) \$11,000,000 of the enhanced 911 account—state appropriation
7 is provided solely for financial assistance to counties.

8 (6) \$2,000,000 of the enhanced 911 account—state appropriation is
9 provided solely for one-time grants to Skagit, Cowlitz, Island, and
10 Whatcom counties for replacing and upgrading the equipment necessary
11 to maintain 911 service after the state's transition to a next
12 generation 911 system. Grants may also be used to reimburse costs
13 incurred in prior biennia for replacing and upgrading equipment for
14 911 services.

15 (7) \$784,000 of the disaster response account—state appropriation
16 is provided solely for fire suppression training, equipment, and
17 supporting costs to national guard soldiers and airmen.

18 (8) \$38,000 of the enhanced 911 account—state appropriation is
19 provided solely for implementation of chapter 295, Laws of 2017 (SHB
20 1258) (first responders/disability).

21 (9) \$372,000 of the disaster response account—state appropriation
22 is provided solely for implementation of chapter 312, Laws of 2017
23 (SSB 5046) (language of public notices).

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

28 (11) \$190,000 of the disaster response account—state
29 appropriation is provided solely to Okanogan and Ferry counties to
30 continue to address deficiencies within their communications
31 infrastructure for 911 dispatch. Funding will be used to replace
32 failing radio dispatching hardware within 911 dispatch centers; build
33 interoperable communications between each county's dispatch center
34 such that each can serve as a back-up to the other; and build upon
35 the existing wireless microwave network for 911 calls, dispatch
36 centers, and first responder radio operations.

37 (12) \$1,582,000 of the general fund—state appropriation for
38 fiscal year 2019 and \$2,618,000 of the enhanced 911 account—state
39 appropriation are provided solely for the department to complete the

1 internet protocol based next generation 911 network project while
2 maintaining financial assistance to counties.

3 (13) \$200,000 of the military department active state service
4 account—state appropriation is provided solely for emergency response
5 training and planning of national guard members with funding provided
6 from Engrossed Second Substitute Senate Bill No. 6269 (oil
7 transportation safety). If the bill is not enacted by June 30, 2018,
8 the amount provided in this subsection shall lapse.

9 (14) \$150,000 of the general fund—state appropriation for fiscal
10 year 2019 is provided solely for the emergency management division of
11 the military department to conduct an update to the October 2006
12 report to the state emergency response commission regarding statewide
13 response to chemical, biological, radiological, nuclear, and
14 explosive materials.

15 **Sec. 118.** 2017 3rd sp.s. c 1 s 146 (uncodified) is amended to
16 read as follows:

17 **FOR THE FORENSIC INVESTIGATION COUNCIL**

18 Death Investigations Account—State Appropriation. . . . (~~(\$633,000)~~)
19 \$660,000

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

22 (1) \$250,000 of the death investigations account appropriation is
23 provided solely for providing financial assistance to local
24 jurisdictions in multiple death investigations. The forensic
25 investigation council shall develop criteria for awarding these funds
26 for multiple death investigations involving an unanticipated,
27 extraordinary, and catastrophic event or those involving multiple
28 jurisdictions.

29 (2) \$210,000 of the death investigations account appropriation is
30 provided solely for providing financial assistance to local
31 jurisdictions in identifying human remains.

32 (3) \$130,000 of the death investigations account appropriation is
33 provided solely for the council to establish a statewide case
34 management system for coroners and medical examiners. The council
35 must confer with the state association of coroners and medical
36 examiners in the implementation of the system.

1 **Sec. 119.** 2018 c 299 s 147 (uncodified) is amended to read as
2 follows:

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

4	General Fund—State Appropriation (FY 2018)	\$1,571,000
5	General Fund—State Appropriation (FY 2019)	(\$1,646,000)
6		<u>\$1,662,000</u>
7	General Fund—Federal Appropriation	\$2,226,000
8	General Fund—Private/Local Appropriation	\$264,000
9	Pension Funding Stabilization Account—State	
10	Appropriation	\$136,000
11	TOTAL APPROPRIATION	(\$5,843,000)
12		<u>\$5,859,000</u>

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

15 (1) \$103,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$103,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for archaeological
18 determinations and excavations of inadvertently discovered skeletal
19 human remains, and removal and reinterment of such remains when
20 necessary.

21 (2) \$80,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for the department of archaeology and
23 historic preservation to collaborate with the department of commerce
24 to facilitate a capital needs assessment study of public libraries in
25 distressed counties as defined by RCW 43.168.020(3). The study must
26 assess library facility backlogs and the local funding capacity for
27 both nonhistoric libraries and libraries on local, state, or national
28 historic registries.

(End of part)

PART II
HUMAN SERVICES

Sec. 201. 2018 c 299 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~~) 2019,
29 unless prohibited by this act, the department may transfer general
30 fund—state appropriations for fiscal year (~~2018~~) 2019 among
31 programs and subprograms after approval by the director of the office
32 of financial management. However, the department may not transfer
33 state 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~~) 2019 caseload forecasts and utilization assumptions in the
38 long-term care, developmental disabilities, foster care, adoption
39 support, and public assistance programs, the department may transfer

1 state appropriations that are provided solely for a specified
2 purpose.

3 (c) Within the mental health program, the department may transfer
4 appropriations that are provided solely for a specified purpose
5 within and between subprograms as needed to fund actual expenditures
6 through the end of fiscal year (~~(2018)~~) 2019.

7 (d) Within the developmental disabilities program, the department
8 may transfer appropriations that are provided solely for a specified
9 purpose within and between subprograms as needed to fund actual
10 expenditures through the end of fiscal year (~~(2018)~~) 2019.

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

23 **Sec. 202.** 2018 c 299 s 203 (uncodified) is amended to read as
24 follows:

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

27	General Fund—State Appropriation (FY 2018)	. . . . .	\$91,247,000
28	General Fund—State Appropriation (FY 2019)	. . . . .	((\$93,660,000))
29			<u>\$93,858,000</u>
30	General Fund—Federal Appropriation	. . . . .	\$3,464,000
31	General Fund—Private/Local Appropriation	. . . . .	\$1,985,000
32	Washington Auto Theft Prevention Authority Account—		
33	State Appropriation	. . . . .	\$196,000
34	Pension Funding Stabilization Account—State		
35	Appropriation	. . . . .	\$8,721,000
36	TOTAL APPROPRIATION	. . . . .	((\$199,273,000))
37			<u>\$199,471,000</u>

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

3 (1) \$331,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$331,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for deposit in the county
6 criminal justice assistance account for costs to the criminal justice
7 system associated with the implementation of chapter 338, Laws of
8 1997 (juvenile code revisions). The amounts provided in this
9 subsection are intended to provide funding for county adult court
10 costs associated with the implementation of chapter 338, Laws of 1997
11 and shall be distributed in accordance with RCW 82.14.310.

12 (2) \$2,841,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$2,841,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for grants to county juvenile
15 courts for the following juvenile justice programs identified by the
16 Washington state institute for public policy (institute) in its
17 report: "Inventory of Evidence-based, Research-based, and Promising
18 Practices for Prevention and Intervention Services for Children and
19 Juveniles in the Child Welfare, Juvenile Justice, and Mental Health
20 Systems." Additional funding for this purpose is provided through an
21 interagency agreement with the health care authority. County juvenile
22 courts shall apply to the juvenile rehabilitation administration for
23 funding for program-specific participation and the administration
24 shall provide grants to the courts consistent with the per-
25 participant treatment costs identified by the institute.

26 (3) \$1,537,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$1,537,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for expansion of the following
29 juvenile justice treatments and therapies in juvenile rehabilitation
30 administration programs identified by the Washington state institute
31 for public policy in its report: "Inventory of Evidence-based,
32 Research-based, and Promising Practices for Prevention and
33 Intervention Services for Children and Juveniles in the Child
34 Welfare, Juvenile Justice, and Mental Health Systems." The
35 administration may concentrate delivery of these treatments and
36 therapies at a limited number of programs to deliver the treatments
37 in a cost-effective manner.

38 (4) (a) \$6,198,000 of the general fund—state appropriation for
39 fiscal year 2018 and \$6,198,000 of the general fund—state

1 appropriation for fiscal year 2019 are provided solely to implement
2 evidence- and research-based programs through community juvenile
3 accountability grants, administration of the grants, and evaluations
4 of programs funded by the grants. In addition to funding provided in
5 this subsection, funding to implement alcohol and substance abuse
6 treatment programs for locally committed offenders is provided
7 through an interagency agreement with the health care authority.

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

36 (c) If Second Substitute House Bill No. 1280 (referred and
37 diverted youth) is enacted, then the administration must implement a
38 stop-loss policy when allocating funding under (b) of this subsection
39 in the 2017-2019 fiscal biennium. Under the stop-loss policy, funding
40 formula changes may not result in a funding loss for any juvenile

1 court of more than two percent from one year to the next. The
2 committee in (d) of this subsection must establish a minimum base
3 level of funding for juvenile courts with lower numbers of at-risk
4 youth age 10 - 17. The administration must report to the legislature
5 by December 1, 2018, about how funding is used for referred youth and
6 the impact of that use on overall use of funding. If the bill is not
7 enacted by July 31, 2017, this subsection is null and void.

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

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

35 (5) \$98,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$98,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely to the juvenile block grant
38 funding formula oversight committee described in subsection (4)(d) of
39 this section to contract with research entities to: (a) Assist
40 juvenile justice programs identified as promising practices or

1 research-based in undergoing the research necessary to demonstrate
2 that the program is evidence-based; and (b) establish an annual,
3 county-level evaluation of existing evidence-based juvenile justice
4 programs.

5 (6) \$557,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$557,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely for funding of the teamchild
8 project.

9 (7) \$283,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$283,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for the juvenile detention
12 alternatives initiative.

13 (8) \$500,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$500,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for a grant program focused on
16 criminal street gang prevention and intervention. The juvenile
17 rehabilitation administration may award grants under this subsection.
18 The juvenile rehabilitation administration shall give priority to
19 applicants who have demonstrated the greatest problems with criminal
20 street gangs. Applicants composed of, at a minimum, one or more local
21 governmental entities and one or more nonprofit, nongovernmental
22 organizations that have a documented history of creating and
23 administering effective criminal street gang prevention and
24 intervention programs may apply for funding under this subsection.
25 Each entity receiving funds must report to the juvenile
26 rehabilitation administration on the number and types of youth
27 served, the services provided, and the impact of those services on
28 the youth and the community.

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

33 (10) \$75,000 of the general fund—state appropriation for fiscal
34 year 2018 is provided solely for the department to coordinate the
35 examination of data associated with juvenile gang and firearm
36 offenses. The review of data must include information from the
37 administrative office of the courts, the office of the superintendent
38 of public instruction, the office of financial management—education
39 research data center, the Washington association of sheriffs and

1 police chiefs, the caseload forecast council, and the department of
2 corrections. For the purpose of carrying out the data review, named
3 organizations are authorized to share data to include details of
4 criminal arrest and conviction data. The department shall report to
5 the governor and the appropriate legislative committees by February
6 1, 2018, with any recommendations for public policy that increases
7 public safety.

8 (11) \$107,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$432,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for the department to provide
11 housing services to clients releasing from incarceration into the
12 community.

13 (12) \$75,000 of the general fund—state appropriation for fiscal
14 year 2019 is provided solely for the implementation of Engrossed
15 Second Substitute Senate Bill No. 6160 (exclusive adult
16 jurisdiction). (~~If the bill is not enacted by June 30, 2018, the~~
17 ~~amount provided in this subsection shall lapse.~~)

18 **Sec. 203.** 2018 c 299 s 204 (uncodified) is amended to read as
19 follows:

20 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—MENTAL HEALTH**
21 **PROGRAM**

22 (1) COMMUNITY SERVICES/BEHAVIORAL HEALTH ORGANIZATIONS

23 General Fund—State Appropriation (FY 2018).	\$381,760,000
24 General Fund—Federal Appropriation.	\$481,439,000
25 General Fund—Private/Local Appropriation.	\$8,932,000
26 Dedicated Marijuana Account—State Appropriation	
27 (FY 2018).	\$3,684,000
28 Pension Funding Stabilization Account—State	
29 Appropriation.	\$39,000
30 TOTAL APPROPRIATION.	\$875,854,000

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

33 (a) For the purposes of this subsection, amounts provided for
34 behavioral health organizations shall also be available for the
35 health care authority to contract with entities that assume the
36 responsibilities of behavioral health organizations in regions in
37 which the health care authority is purchasing medical and behavioral

1 health services through fully integrated contracts pursuant to RCW
2 71.24.380.

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

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

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

36 (e) \$11,405,000 of the general fund—state appropriation for
37 fiscal year 2018 is provided solely to assist behavioral health
38 organizations with the costs of providing services to medicaid
39 clients receiving services in psychiatric facilities classified as

1 institutions of mental diseases. The department must distribute these
2 amounts proportionate to the number of bed days for medicaid clients
3 in institutions for mental diseases that were excluded from
4 behavioral health organization fiscal year 2018 capitation rates
5 because they exceeded the amounts allowed under federal regulations.
6 The department must also use these amounts to directly pay for costs
7 that are ineligible for medicaid reimbursement in institutions of
8 mental disease facilities for American Indian and Alaska Natives who
9 opt to receive behavioral health services on a fee for service basis.
10 The amounts used for these individuals must be reduced from the
11 allocation of the behavioral health organization where the individual
12 resides. If a behavioral health organization receives more funding
13 through this subsection than is needed to pay for the cost of their
14 medicaid clients in institutions for mental diseases, they must use
15 the remainder of the amounts to provide other services not covered
16 under the medicaid program. The department must apply for a waiver
17 from the center for medicaid and medicare services to allow for the
18 full cost of stays in institutions of mental diseases to be included
19 in fiscal year 2019 behavioral health organization capitation rates.
20 The department may tailor the fiscal year 2019 waiver to specific
21 populations for which the center for medicaid and medicare services
22 has indicated they are likely to approve and work to further expand
23 the waiver to other populations in fiscal year 2020. The department
24 must submit a report on the status of the waiver to the office of
25 financial management and the appropriate committees of the
26 legislature by December 1, 2017.

27 (f) \$81,930,000 of the general fund—state appropriation for
28 fiscal year 2018 is provided solely for persons and services not
29 covered by the medicaid program. To the extent possible, levels of
30 behavioral health organization spending shall be maintained in the
31 following priority order: Crisis and commitment services; community
32 inpatient services; and residential care services, including personal
33 care and emergency housing assistance. These amounts must be
34 distributed to behavioral health organizations proportionate to the
35 fiscal year 2017 allocation of flexible nonmedicaid funds. The
36 department must include the following language in medicaid contracts
37 with behavioral health organizations unless they are provided formal
38 notification from the center for medicaid and medicare services that
39 the language will result in the loss of federal medicaid
40 participation: "The contractor may voluntarily provide services that

1 are in addition to those covered under the state plan, although the
2 cost of these services cannot be included when determining payment
3 rates unless including these costs are specifically allowed under
4 federal law or an approved waiver."

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (n) \$2,309,000 of the general fund—state appropriation for
39 fiscal year 2018 and \$2,169,000 of the general fund—federal

1 appropriation are provided solely for the department to increase
2 rates for community hospitals that provide a minimum of 200 medicaid
3 psychiatric inpatient days. The department must increase both
4 medicaid and nonmedicaid psychiatric per-diem reimbursement rates for
5 these providers within these amounts. The amounts in this subsection
6 include funding for additional hold harmless payments resulting from
7 the rate increase. The department shall prioritize increases for
8 hospitals not currently paid based on provider specific costs using a
9 similar methodology used to set rate for existing inpatient
10 facilities and the latest available cost report information. Rate
11 increases for providers must be set so as not to exceed the amounts
12 provided within this subsection. The rate increase related to
13 nonmedicaid clients must be done to maintain the provider at the same
14 percentage as currently required under WAC 182-550-4800.

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

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

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

14 (r) The number of beds allocated for use by behavioral health
15 organizations at eastern state hospital shall be 192 per day. The
16 number of nonforensic beds allocated for use by behavioral health
17 organizations at western state hospital shall be 557 per day. In
18 fiscal year 2019, the department must reduce the number of beds
19 allocated for use by behavioral health organizations at western state
20 hospital by 30 beds to allow for the repurposing of a civil ward at
21 western state hospital to provide forensic services. The contracted
22 beds provided under (p) of this subsection shall be allocated to the
23 behavioral health organizations in lieu of beds at the state
24 hospitals and be incorporated in their allocation of state hospital
25 patient days of care for the purposes of calculating reimbursements
26 pursuant to RCW 71.24.310. It is the intent of the legislature to
27 continue the policy of expanding community based alternatives for
28 long term civil commitment services that allow for state hospital
29 beds to be prioritized for forensic patients.

30 (s) \$11,405,000 of the general fund—state appropriation for
31 fiscal year 2018 and \$8,840,000 of the general fund—federal
32 appropriation are provided solely to maintain enhancements of
33 community mental health services. The department must contract these
34 funds for the operation of community programs in which the department
35 determines there is a need for capacity that allows individuals to be
36 diverted or transitioned from the state hospitals including but not
37 limited to: (i) Community hospital or free standing evaluation and
38 treatment services providing short-term detention and commitment
39 services under the involuntary treatment act to be located in the

1 geographic areas of the King behavioral health organization, the
2 Spokane behavioral health organization outside of Spokane county, and
3 the Thurston Mason behavioral health organization; (ii) one new full
4 program of an assertive community treatment team in the King
5 behavioral health organization and two new half programs of assertive
6 community treatment teams in the Spokane behavioral health
7 organization and the Pierce behavioral health organization; and (iii)
8 three new recovery support services programs in the Great Rivers
9 behavioral health organization, the greater Columbia behavioral
10 health organization, and the north sound behavioral health
11 organization. In contracting for community evaluation and treatment
12 services, the department may not use these resources in facilities
13 that meet the criteria to be classified under federal law as
14 institutions for mental diseases. If the department is unable to come
15 to a contract agreement with a designated behavioral health
16 organization for any of the services identified above, it may
17 consider contracting for that service in another region that has the
18 need for such service.

19 (t) \$200,000 of the general fund—state appropriation for fiscal
20 year 2018 is provided solely for clubhouse programs. The department
21 must develop options and cost estimates for implementation of
22 clubhouse programs statewide through a medicaid state plan amendment
23 or a medicaid waiver and submit a report to the office of financial
24 management and the appropriate committees of the legislature by
25 December 1, 2018.

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

39 (v) The department, in collaboration with the health care
40 authority, shall work to ensure that a single platform provider

1 credentialing system is implemented. The authority and department
 2 shall ensure that appropriate cost offsets and cost avoidance are
 3 assumed for reduced staff time required for provider credentialing
 4 activity and reductions in improper billing activity when
 5 implementing provider credentialing systems.

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

25 (2) INSTITUTIONAL SERVICES

26	General Fund—State Appropriation (FY 2018)	\$330,214,000
27	General Fund—State Appropriation (FY 2019)	(\$259,313,000)
28		<u>\$388,461,000</u>
29	General Fund—Federal Appropriation	(\$181,793,000)
30		<u>\$140,803,000</u>
31	General Fund—Private/Local Appropriation	(\$61,282,000)
32		<u>\$46,228,000</u>
33	Pension Funding Stabilization Account—State	
34	Appropriation	\$34,746,000
35	TOTAL APPROPRIATION	(\$867,348,000)
36		<u>\$940,452,000</u>

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

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

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

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

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

35 (e) \$20,883,000 of the general fund—state appropriation for
36 fiscal year 2018 and \$33,558,000 of the general fund—state
37 appropriation for fiscal year 2019 are provided solely for
38 implementation of efforts to improve the timeliness of competency
39 restoration services pursuant to chapter 5, Laws of 2015 (SSB 5889)

1 (timeliness of competency treatment and evaluation services). These
2 amounts must be used to maintain and further increase the number of
3 forensic beds at western state hospital and eastern state hospital.
4 Pursuant to chapter 7, Laws of 2015 1st sp. sess. (2E2SSB 5177)
5 (timeliness of competency treatment and evaluation services), the
6 department may contract some of these amounts for services at
7 alternative locations if the secretary determines that there is a
8 need.

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

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

25 (h) \$20,234,000 of the general fund—state appropriation for
26 fiscal year 2018 and \$20,234,000 of the general fund—state
27 appropriation for fiscal year 2019 are provided solely to meet the
28 requirements of the systems improvement agreement with the centers
29 for medicare and medicaid services as outlined in seven conditions of
30 participation and to maintain federal funding. The department shall
31 specifically account for all spending related to the agreement and
32 reconcile it back to the original funding plan. Changes of more than
33 ten percent in any area of the spending plan must be submitted to the
34 office of financial management for approval. The department must
35 submit a financial analysis to the office of financial management and
36 the appropriate committees of the legislature which compares current
37 staffing levels at eastern and western state hospitals, at the ward
38 level, with the specific staffing levels recommended in the state
39 hospitals' clinical model analysis project report submitted by OTB

1 Solutions in 2016. To the extent that the financial analysis includes
2 any differential in staffing from what was recommended in the report,
3 the department must clearly identify these differences and the
4 associated costs. The department must submit the financial analysis
5 by September 1, 2017.

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

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

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

37 (l) \$100,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for the department to track compliance
39 with RCW 71.05.365 requirements for transition of state hospital

1 patients into community settings within fourteen days of the
2 determination that they no longer require active psychiatric
3 treatment at an inpatient level of care. The department must use
4 these funds to track the following elements related to this
5 requirement: (i) The date on which an individual is determined to no
6 longer require active psychiatric treatment at an inpatient level of
7 care; (ii) the date on which the behavioral health organizations and
8 other organizations responsible for resource management services for
9 the person is notified of this determination; and (iii) the date on
10 which either the individual is transitioned to the community or has
11 been re-evaluated and determined to again require active psychiatric
12 treatment at an inpatient level of care. The department must provide
13 this information in regular intervals to behavioral health
14 organizations and other organizations responsible for resource
15 management services. The department must summarize the information
16 and provide a report to the office of financial management and the
17 appropriate committees of the legislature on progress toward meeting
18 the fourteen day standard by December 1, 2018.

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

34 (n) \$12,190,000 of the general fund—state appropriation for
35 fiscal year 2019 is provided solely for the department to develop and
36 implement an acuity based staffing tool at western state hospital and
37 eastern state hospital in collaboration with the hospital staffing
38 committees. The staffing tool must be designed and implemented to
39 identify, on a daily basis, the clinical acuity on each patient ward
40 and determine the minimum level of direct care staff by profession to

1 be deployed to meet the needs of the patients on each ward. The
2 department must also continue to develop, in collaboration with the
3 office of financial management's labor relations office, the staffing
4 committees, and state labor unions, an overall state hospital
5 staffing plan which looks at all positions and functions of the
6 facilities and is informed by a review of the Oregon state hospital
7 staffing model. \$300,000 of the amounts in this subsection are
8 provided solely for and must be used for staff costs required to
9 establish, monitor, track, and report monthly staffing and
10 expenditures at the state hospitals, including overtime and use of
11 locums, to the functional categories identified in the recommended
12 staffing plan. The remainder of the funds must be used for direct
13 care staffing needed in order to implement the acuity based staffing
14 tool. The allotments and tracking of staffing and expenditures must
15 include all areas of the state hospitals, must be done at the ward
16 level, and must include contracted facilities providing forensic
17 restoration services as well as the office of forensic mental health
18 services. By September 1, 2018, the department and hospital staffing
19 committees must submit a report to the office of financial management
20 and the appropriate committees of the legislature that includes the
21 following: (a) Progress in implementing the acuity based staffing
22 tool; (b) a comparison of average daily staffing expenditures to
23 budgeted staffing levels and the recommended state hospital staffing
24 plan by function; and (c) metrics and facility performance for the
25 use of overtime and extra duty pay, patient length of stay, discharge
26 management, active treatment planning, medication administration,
27 patient and staff aggression, and staff recruitment and retention.
28 The department must use information gathered from implementation of
29 the clinical staffing tool and the hospital-wide staffing model to
30 inform and prioritize future budget requests for staffing at the
31 state hospitals. Beginning on January 1, 2019, the department must
32 submit calendar quarterly reports to the office of financial
33 management and the appropriate committees of the legislature which
34 includes monitoring of monthly spending and staffing levels compared
35 to allotments and to the recommended state hospital staffing model.
36 These reports must include an update from the hospital staffing
37 committees.

38 (o) \$250,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the department, in collaboration
40 with the health care authority, to develop and implement a predictive

1 modeling tool which identifies clients who are at high risk of future
2 involvement with the criminal justice system and for developing a
3 model to estimate demand for civil and forensic state hospital bed
4 needs pursuant to the following requirements.

5 (i) The predictive modeling tool must be developed to leverage
6 data from a variety of sources and identify factors that are strongly
7 associated with future criminal justice involvement. By December 1,
8 2018, the department must submit a report to the office of financial
9 management and the appropriate committees of the legislature which
10 describes the following: (A) The proposed data sources to be used in
11 the predictive model and how privacy issues will be addressed; (B)
12 modeling results including a description of measurable factors most
13 strongly predictive of risk of future criminal justice involvement;
14 (C) an assessment of the accuracy, timeliness, and potential
15 effectiveness of the tool; (D) identification of interventions and
16 strategies that can be effective in reducing future criminal justice
17 involvement of high risk patients; and (E) the timeline for
18 implementing processes to provide monthly lists of high-risk client
19 to contracted managed care organizations and behavioral health
20 organizations.

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

37 (p) \$20,000 of the general fund—state appropriation for fiscal
38 year 2019 and \$8,000 of the general fund—federal appropriation are
39 provided solely to implement Substitute Senate Bill No. 6237
40 (personal needs allowance) or Substitute House Bill No. 2651

1 (personal needs allowance). ((If neither bill is enacted by June 30,
2 2018, the amounts provided in this subsection shall lapse.))

3 (q) ((~~\$46,601,000~~) \$19,017,000 of the general fund—state
4 appropriation for fiscal year ((2018)) 2019 is provided solely for
5 the department to pay fines, plaintiff's attorney fees, and increased
6 court monitor costs for failing to meet court ordered timelines for
7 competency restoration and evaluations under *Trueblood v. Department*
8 *of Social and Health Services*.

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

18 (3) SPECIAL PROJECTS

19	General Fund—State Appropriation (FY 2018).	\$486,000
20	General Fund—Federal Appropriation.	\$3,148,000
21	Pension Funding Stabilization Account—State	
22	Appropriation.	\$28,000
23	TOTAL APPROPRIATION.	\$3,662,000

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

37 (4) PROGRAM SUPPORT

38	General Fund—State Appropriation (FY 2018).	\$9,265,000
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1	General Fund—State Appropriation (FY 2019)	((\\$2,979,000))
2		<u>\$6,942,000</u>
3	General Fund—Federal Appropriation.	((\\$8,310,000))
4		<u>\$6,278,000</u>
5	General Fund—Private/Local Appropriation.	\$251,000
6	Pension Funding Stabilization Account—State	
7	Appropriation.	\$526,000
8	TOTAL APPROPRIATION.	((\\$21,331,000))
9		<u>\$23,262,000</u>

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

12 ~~((a))~~ The department must complete an update of the state
13 quality strategy required under federal managed care regulations and
14 submit to the center for medicaid and medicare services by October 1,
15 2017. The department must provide a report to the office of financial
16 management and the appropriate committees of the legislature by
17 December 1, 2017, which includes the following: ~~((i))~~ (a) A copy of
18 the quality strategy submitted to the center for medicaid and
19 medicare services; ~~((ii))~~ (b) identification of all performance
20 measures that are currently being measured for behavioral health
21 organizations, and managed care organizations and the variations in
22 performance among these entities; ~~((iii))~~ (c) identification of any
23 performance measures that are included in behavioral health
24 organization and managed care organization 2018 contracts and whether
25 these measures are connected to payment; and ~~((iv))~~ (d)
26 identification of any performance measures planned for incorporation
27 of behavioral health organization and managed care organization 2019
28 contracts and whether these measures will be connected to payment
29 during that contract period.

30 ~~((b) \$62,000 of the general fund state appropriation for fiscal~~
31 ~~year 2018 and \$41,000 of the general fund federal appropriation are~~
32 ~~provided solely for the implementation of chapter 207, Laws of 2017~~
33 ~~(E2SHB 1819) (children's mental health).~~

34 ~~(c) In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035,~~
35 ~~the department is authorized to adopt license and certification fees~~
36 ~~in fiscal year 2018 to support the costs of the regulatory program.~~
37 ~~The department's fee schedule shall have differential rates for~~
38 ~~providers with proof of accreditation from organizations that the~~
39 ~~department has determined to have substantially equivalent standards~~

1 ~~to those of the department, including but not limited to the joint~~
2 ~~commission on accreditation of health care organizations, the~~
3 ~~commission on accreditation of rehabilitation facilities, and the~~
4 ~~council on accreditation. To reflect the reduced costs associated~~
5 ~~with regulation of accredited programs, the department's fees for~~
6 ~~organizations with such proof of accreditation must reflect the lower~~
7 ~~costs of licensing for these programs than for other organizations~~
8 ~~which are not accredited.))~~

9 **Sec. 204.** 2018 c 299 s 205 (uncodified) is amended to read as
10 follows:

11 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—DEVELOPMENTAL**
12 **DISABILITIES PROGRAM**

13 (1) COMMUNITY SERVICES

14 General Fund—State Appropriation (FY 2018)	\$601,589,000
15 General Fund—State Appropriation (FY 2019)	(\$663,644,000)
16	<u>\$659,332,000</u>
17 General Fund—Federal Appropriation	(\$1,302,369,000)
18	<u>\$1,298,671,000</u>
19 General Fund—Private/Local Appropriation	(\$2,407,000)
20	<u>\$534,000</u>
21 Pension Funding Stabilization Account—State	
22 Appropriation	\$6,872,000
23 TOTAL APPROPRIATION	(\$2,576,881,000)
24	<u>\$2,566,998,000</u>

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

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

31 (b) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and
32 43.135.055, the department is authorized to increase nursing
33 facility, assisted living facility, and adult family home fees as
34 necessary to fully support the actual costs of conducting the
35 licensure, inspection, and regulatory programs. The license fees may
36 not exceed the department's annual licensing and oversight activity
37 costs and shall include the department's cost of paying providers for
38 the amount of the license fee attributed to medicaid clients.

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

8 (ii) The current annual renewal license fee for assisted living
9 facilities shall be \$106 per bed beginning in fiscal year 2018 and
10 \$116 per bed beginning in fiscal year 2019.

11 (iii) The current annual renewal license fee for nursing
12 facilities shall be \$359 per bed beginning in fiscal year 2018 and
13 \$359 per bed beginning in fiscal year 2019.

14 (c) \$7,142,000 of the general fund—state appropriation for fiscal
15 year 2018, \$18,249,000 of the general fund—state appropriation for
16 fiscal year 2019, and \$27,336,000 of the general fund—federal
17 appropriation are provided solely for the implementation of the
18 agreement reached between the governor and the service employees
19 international union healthcare 775nw under the provisions of chapters
20 74.39A and 41.56 RCW for the 2017-2019 fiscal biennium. (~~Funding is
21 contingent upon the enactment of Senate Bill No. 5969 (transparency
22 in public employee collective bargaining). If the bill is not enacted
23 by July 31, 2017, the appropriation in this subsection shall lapse.~~)

24 (d) \$787,000 of the general fund—state appropriation for fiscal
25 year 2018, \$2,183,000 of the general fund—state appropriation for
26 fiscal year 2019, and \$3,714,000 of the general fund—federal
27 appropriation are provided solely for the homecare agency parity
28 impacts of the agreement between the governor and the service
29 employees international union healthcare 775nw. (~~Funding is
30 contingent upon the enactment of Senate Bill No. 5969 (transparency
31 in public employee collective bargaining). If the bill is not enacted
32 by July 31, 2017, the appropriation in this subsection shall lapse.~~)

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

1 department is also granted the authority to waive the required
2 residential administrator training for a period of 120 days if
3 necessary to ensure continuity of care during the relicensing
4 process.

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

9 (g) \$650,000 of the general fund—state appropriation for fiscal
10 year 2018, \$650,000 of the general fund—state appropriation for
11 fiscal year 2019, and \$800,000 of the general fund—federal
12 appropriation are provided solely for the development and
13 implementation of eight enhanced respite beds across the state for
14 children. These services are intended to provide families and
15 caregivers with a break in caregiving, the opportunity for behavioral
16 stabilization of the child, and the ability to partner with the state
17 in the development of an individualized service plan that allows the
18 child to remain in his or her family home. The department must
19 provide the legislature with a respite utilization report in January
20 of each year that provides information about the number of children
21 who have used enhanced respite in the preceding year, as well as the
22 location and number of days per month that each respite bed was
23 occupied.

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

37 (i) \$100,000 of the general fund—state appropriation for fiscal
38 year 2018, \$95,000 of the general fund—state appropriation for fiscal
39 year 2019, and \$195,000 of the general fund—federal appropriation are

1 provided solely for discharge case managers stationed at the state
2 psychiatric hospitals. Discharge case managers will transition
3 clients ready for hospital discharge into less restrictive
4 alternative community placements. The transition of clients ready for
5 discharge will free up bed capacity at the state psychiatric
6 hospitals.

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

14 (i) Community alternative placement beds include enhanced service
15 facility beds, adult family home beds, skilled nursing facility beds,
16 shared supportive housing beds, state operated living alternative
17 beds, and assisted living facility beds.

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

30 (iii) When reviewing placement options, the department must
31 consider the safety of other residents, as well as the safety of
32 staff, in a facility. An initial evaluation of each placement,
33 including any documented safety concerns, must occur within thirty
34 days of a client leaving one of the state psychiatric hospitals and
35 entering one of the community placement options described in (j)(i)
36 of this subsection. At a minimum, the department must perform two
37 additional evaluations of each placement during the first year that a
38 client has lived in the facility.

1 (iv) During fiscal year 2018, in a presentation to the select
2 committee on quality improvement in state hospitals, the department
3 must describe the process of fielding and subsequently investigating
4 complaints of abuse, neglect, and exploitation within the community
5 alternative placement options described in (j)(i) of this subsection.
6 At a minimum, the presentation must include data about the number of
7 complaints, and the nature of complaints, over the preceding five
8 fiscal years.

9 (v) During fiscal year 2019, in a presentation to the select
10 committee on quality improvement in state hospitals, the department
11 must provide an update about clients placed out of the state
12 psychiatric hospitals into the community alternative placement
13 options described in (j)(i) of this subsection. At a minimum, for
14 each setting, the presentation must include data about the number of
15 placements, average daily rate, complaints fielded, and complaints
16 investigated. The presentation must also include information about
17 modifications, including the placement of clients into alternate
18 settings, that occurred due to the evaluations required under
19 (j)(iii) of this subsection.

20 In developing bed capacity, the department shall consider the
21 complex needs of individuals waiting for discharge from the state
22 psychiatric hospitals.

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

31 (l) \$14,127,000 of the general fund—state appropriation for
32 fiscal year 2018, \$25,428,000 of the general fund—state appropriation
33 for fiscal year 2019, and \$39,554,000 of the general fund—federal
34 appropriation are provided solely to increase the benchmark rate for
35 community residential service providers offering supported living,
36 group home, and licensed staff residential services to individuals
37 with development disabilities. The amounts in this subsection (l)(l)
38 include funding to increase the benchmark rate by the following
39 amounts:

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

3 The amounts provided in this subsection must be used to improve
4 the recruitment and retention of quality direct care staff to better
5 protect the health and safety of clients with developmental
6 disabilities.

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

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

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

22 (i) Within the amounts provided in this subsection, \$1,674,000 of
23 the general fund—state appropriation for fiscal year 2018, \$3,424,000
24 of the general fund—state appropriation for fiscal year 2019, and
25 \$4,126,000 of the general fund—federal appropriation are provided
26 solely for a vendor rate increase of two percent in fiscal year 2018
27 and an additional two percent in fiscal year 2019 for all contracted
28 vendors with the exception of nursing home providers, the program of
29 all-inclusive care for the elderly, nurse delegators, community
30 residential service providers, individual providers, agency
31 providers, and adult family homes.

32 (ii) Within the amounts provided in this subsection, \$42,000 of
33 the general fund—state appropriation for fiscal year 2018, \$69,000 of
34 the general fund—state appropriation for fiscal year 2019, and
35 \$141,000 of the general fund—federal appropriation are provided
36 solely to increase vendor rates for adult residential care and
37 enhanced adult residential care in the 2017-2019 fiscal biennium up
38 to the statewide minimum wage established in Initiative Measure No.
39 1433.

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

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

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

16 (s) \$2,199,000 of the general fund—state appropriation for fiscal
17 year 2018, \$2,878,000 of the general fund—state appropriation for
18 fiscal year 2019, and \$6,388,000 of the general fund—federal
19 appropriation are provided solely for the implementation of an
20 agreement reached between the governor and the adult family home
21 council under the provisions of chapter 41.56 RCW for the 2017-2019
22 fiscal biennium. (~~Funding is contingent upon the enactment of Senate~~
23 ~~Bill No. 5969 (transparency in public employee collective~~
24 ~~bargaining). If the bill is not enacted by July 31, 2017, the amounts~~
25 ~~provided in this subsection shall lapse.~~)

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

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

35 (v) \$623,000 of the general fund—state appropriation for fiscal
36 year 2019 and \$623,000 of the general fund—federal appropriation are
37 provided solely to hold community residential service provider rates
38 harmless for instruction and support services and administration, to
39 the extent possible within amounts appropriated in this subsection,

1 if the tiered rate methodology is implemented effective January 1,
2 2019.

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

8 ~~(y))~~ (x) \$34,000 of the general fund—state appropriation for
9 fiscal year 2018, \$293,000 of the general fund—state appropriation
10 for fiscal year 2019, and \$480,000 of the general fund—federal
11 appropriation are provided solely to implement Engrossed Substitute
12 Senate Bill No. 6199 (consumer directed employer organizations). ~~((If
13 the bill is not enacted by June 30, 2018, the amounts provided in
14 this subsection shall lapse.~~

15 ~~(z))~~ (y) The department of social and health services
16 developmental disabilities administration shall participate in the
17 development of an implementation plan to build statewide capacity
18 among school districts to improve transition planning for students in
19 special education who meet criteria for services from the
20 developmental disabilities administration, pursuant to section
21 501(57) of this act.

22 ~~((aa))~~ (z) \$290,000 of the general fund—state appropriation for
23 fiscal year 2019 is provided solely for the enhancement of existing
24 parent-to-parent programs that serve parents of children with a
25 developmental disability and the establishment of new programs in
26 Okanogan county and Whitman county.

27 (2) INSTITUTIONAL SERVICES

28	General Fund—State Appropriation (FY 2018)	\$99,622,000
29	General Fund—State Appropriation (FY 2019)	(\$105,704,000)
30		<u>\$113,604,000</u>
31	General Fund—Federal Appropriation	(\$202,562,000)
32		<u>\$210,504,000</u>
33	General Fund—Private/Local Appropriation	\$27,041,000
34	Pension Funding Stabilization Account—State	
35	Appropriation	\$12,441,000
36	TOTAL APPROPRIATION	(\$447,370,000)
37		<u>\$463,212,000</u>

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

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

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

14 (c) \$2,978,000 of the general fund—state appropriation for fiscal
15 year 2018, \$2,978,000 of the general fund—state appropriation for
16 fiscal year 2019, and \$5,956,000 of the general fund—federal
17 appropriation are for additional staff to ensure compliance with
18 centers for medicare and medicaid services requirements for
19 habilitation, nursing care, staff safety, and client safety at the
20 residential habilitation centers.

21 (d) The residential habilitation centers may use funds
22 appropriated in this subsection to purchase goods, supplies, and
23 services through hospital group purchasing organizations when it is
24 cost-effective to do so.

25 (e) \$2,000 of the general fund—state appropriation for fiscal
26 year 2018, \$5,000 of the general fund—state appropriation for fiscal
27 year 2019, and \$5,000 of the general fund—federal appropriation are
28 provided solely to implement chapter 270, Laws of 2017 (SB 5118)
29 (personal needs allowance).

30 (f) \$325,000 of the general fund—state appropriation for fiscal
31 year 2019 and \$325,000 of the general fund—federal appropriation are
32 provided solely for purposes of maintaining basic life-and-safety
33 equipment and structures in a manner that supports a safe and
34 compliant environment of care at the residential habilitation
35 centers. The department is to develop a budget structure that allows
36 for transparency in the management and monitoring of these
37 expenditures as well as related performance and outcomes. The
38 department is to report to the office of financial management on

1 expenditure levels and outcomes achieved at the close of each fiscal
2 year.

3 (g) \$2,288,000 of the general fund—state appropriation for fiscal
4 year 2018, \$5,496,000 of the general fund—state appropriation for
5 fiscal year 2019, and \$7,784,000 of the general fund—federal
6 appropriation are provided solely for additional staffing resources
7 to provide direct care to clients living in the intermediate care
8 facilities at Rainier school, Fircrest school, and Lakeland village
9 to address deficiencies identified by the centers for medicare and
10 medicaid services, and to gather information for the 2019 legislative
11 session that will support appropriate levels of care for residential
12 habilitation center clients.

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

29 The parties invited to participate in the meetings and discussion
30 must include:

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

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

37 (C) One member from the office of the governor, appointed by the
38 governor;

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

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

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

3 (G) One member from the service employee international union
4 1199;

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

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

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

12 (ii) Before November 1, 2018, the department of social and health
13 services must submit a report to the office of financial management
14 and the appropriate fiscal and policy committees of the legislature
15 that includes the following information: All information provided for
16 subsections A through D below must be provided so as to clearly
17 identify data that represents the intermediate care facility versus
18 the skilled nursing facility components of the residential
19 habilitation centers.

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

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

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

34 (D) Ratios of staff to clients at the residential habilitation
35 centers from fiscal year 2013 through fiscal year 2018. The ratios
36 must include, but are not limited to, the number of direct care staff
37 per client and the number of indirect care staff per client. The
38 ratio of direct care staff per client must be provided by month for
39 each cottage on each campus. The ratio of indirect care staff per
40 client must be provided by month for each campus.

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

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

9 (G) The following information pertinent to the goal of
10 transitioning from the use of intermediate care facilities on
11 residential habilitation center campuses to skilled nursing
12 facilities, when appropriate to individual client needs and
13 preferences, no later than January 1, 2021:

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

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

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

29 (IV) A description of the process and a feasibility analysis for
30 the transition of a cottage or multiple cottages at a residential
31 habilitation center from certification as an intermediate care
32 facility to certification and licensure as a skilled nursing facility
33 no later than January 1, 2021. This section of the report must
34 include, but is not limited to, a description of the role for the
35 department of health, department of social and health services, and
36 the centers for medicare and medicaid services.

37 (V) The estimated capital investment needed to transition a
38 cottage, or multiple cottages, at a residential habilitation center
39 from certification as an intermediate care facility to certification

1 and licensure as a skilled nursing facility no later than January 1,
2 2021.

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

8 (I) Options for transferring the ownership of charitable,
9 educational, penal, and reform institutions land on the Fircrest
10 campus from the department of natural resources to the department of
11 social and health services.

12 (I) Purchase of the charitable, educational, penal, and reform
13 institutions land on the Fircrest campus by the department of social
14 and health services. This option must include but is not limited to
15 the most recent appraisal of the value of charitable, educational,
16 penal, and reform institutions land on the Fircrest campus.

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

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

22 (J) Options for the additional use of state operated living
23 alternative placements to assist clients with the transition from an
24 institutional setting to a community setting. The report must
25 identify the number of clients who could transition into state
26 operated living alternative placements, and the length of time
27 necessary to transition clients into the additional placements.

28 (K) Options for establishing additional crisis stabilization
29 services at the residential habilitation centers. The report must
30 identify the operating costs, capital costs, timeline, and desired
31 location associated with the additional capacity.

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

39 (M) The expenditures for overtime, prescription drugs, controlled
40 substances, medical supplies, janitorial supplies, household

1 supplies, maintenance supplies, and office supplies at the
 2 residential habilitation centers from fiscal year 2013 through fiscal
 3 year 2018. The information must be provided by month for each campus.
 4 The department must also provide the strategy, or strategies, that
 5 are being implemented to decrease expenditures for overtime,
 6 prescription drugs, controlled substances, medical supplies,
 7 janitorial supplies, household supplies, maintenance supplies, and
 8 office supplies at the residential habilitation centers.

9 (h) \$23,000 of the general fund—state appropriation for fiscal
 10 year 2019 and \$23,000 of the general fund—federal appropriation are
 11 provided solely to implement Substitute House Bill No. 2651 (personal
 12 needs allowance). ((If the bill is not enacted by June 30, 2018, the
 13 amounts provided in this subsection shall lapse.))

14 (i) \$121,000 of the general fund—state appropriation for fiscal
 15 year 2018, \$41,000 of the general fund—state appropriation for fiscal
 16 year 2019, and \$161,000 of the general fund—federal appropriation are
 17 provided solely for the replacement of items destroyed by fire at the
 18 laundry facility at Fircrest, and for the transportation of laundry
 19 from Fircrest to Rainier.

20 (3) PROGRAM SUPPORT

21	General Fund—State Appropriation (FY 2018).	\$2,351,000
22	General Fund—State Appropriation (FY 2019).	(\$2,400,000)
23		<u>\$2,594,000</u>
24	General Fund—Federal Appropriation.	(\$2,982,000)
25		<u>\$3,121,000</u>
26	Pension Funding Stabilization Account—State	
27	Appropriation.	\$270,000
28	TOTAL APPROPRIATION.	(\$8,003,000)
29		<u>\$8,336,000</u>

30 (4) SPECIAL PROJECTS

31	General Fund—State Appropriation (FY 2018).	\$55,000
32	General Fund—State Appropriation (FY 2019).	\$62,000
33	General Fund—Federal Appropriation.	\$1,092,000
34	Pension Funding Stabilization Account—State	
35	Appropriation.	\$11,000
36	TOTAL APPROPRIATION.	\$1,220,000

1 **Sec. 205.** 2018 c 299 s 206 (uncodified) is amended to read as
2 follows:

3 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—AGING AND ADULT**
4 **SERVICES PROGRAM**

5	General Fund—State Appropriation (FY 2018).	\$1,077,208,000
6	General Fund—State Appropriation (FY 2019).	((1,208,320,000))
7		<u>\$1,187,135,000</u>
8	General Fund—Federal Appropriation.	((2,844,955,000))
9		<u>\$2,831,813,000</u>
10	General Fund—Private/Local Appropriation.	((35,766,000))
11		<u>\$33,953,000</u>
12	Traumatic Brain Injury Account—State Appropriation.	\$4,540,000
13	Skilled Nursing Facility Safety Net Trust Account—	
14	State Appropriation.	\$133,360,000
15	Pension Funding Stabilization Account—State	
16	Appropriation.	\$13,165,000
17	TOTAL APPROPRIATION.	((5,317,314,000))
18		<u>\$5,281,174,000</u>

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

21 (1) (a) For purposes of implementing chapter 74.46 RCW, the
22 weighted average nursing facility payment rate shall not exceed
23 \$200.47 for fiscal year 2018 and shall not exceed \$216.64 for fiscal
24 year 2019.

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

30 (2) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and
31 43.135.055, the department is authorized to increase nursing
32 facility, assisted living facility, and adult family home fees as
33 necessary to fully support the actual costs of conducting the
34 licensure, inspection, and regulatory programs. The license fees may
35 not exceed the department's annual licensing and oversight activity
36 costs and shall include the department's cost of paying providers for
37 the amount of the license fee attributed to medicaid clients.

38 (a) The current annual renewal license fee for adult family homes
39 shall be \$225 per bed beginning in fiscal year 2018 and \$225 per bed

1 beginning in fiscal year 2019. A processing fee of \$2,750 shall be
2 charged to each adult family home when the home is initially
3 licensed. This fee is nonrefundable. A processing fee of \$700 shall
4 be charged when adult family home providers file a change of
5 ownership application.

6 (b) The current annual renewal license fee for assisted living
7 facilities shall be \$106 per bed beginning in fiscal year 2018 and
8 \$116 per bed beginning in fiscal year 2019.

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

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

16 (4) \$1,858,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$1,857,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for operation of the volunteer
19 services program. Funding shall be prioritized towards serving
20 populations traditionally served by long-term care services to
21 include senior citizens and persons with disabilities.

22 (5) \$14,674,000 of the general fund—state appropriation for
23 fiscal year 2018, \$37,239,000 of the general fund—state appropriation
24 for fiscal year 2019, and \$55,716,000 of the general fund—federal
25 appropriation are provided solely for the implementation of the
26 agreement reached between the governor and the service employees
27 international union healthcare 775nw under the provisions of chapters
28 74.39A and 41.56 RCW for the 2017-2019 fiscal biennium. (~~Funding is
29 contingent upon the enactment of Senate Bill No. 5969 (transparency
30 in public employee collective bargaining). If the bill is not enacted
31 by July 31, 2017, the appropriation in this subsection shall lapse.~~)

32 (6) \$4,833,000 of the general fund—state appropriation for fiscal
33 year 2018, \$13,413,000 of the general fund—state appropriation for
34 fiscal year 2019, and \$22,812,000 of the general fund—federal
35 appropriation are provided solely for the homecare agency parity
36 impacts of the agreement between the governor and the service
37 employees international union healthcare 775nw. (~~Funding is
38 contingent upon the enactment of Senate Bill No. 5969 (transparency~~

1 ~~in public employee collective bargaining). If the bill is not enacted~~
2 ~~by July 31, 2017, the appropriation in this subsection shall lapse.))~~

3 (7) \$5,094,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$5,094,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for services and support to
6 individuals who are deaf, hard of hearing, or deaf-blind.

7 (8) The department may authorize a one-time waiver of all or any
8 portion of the licensing and processing fees required under RCW
9 70.128.060 in any case in which the department determines that an
10 adult family home is being relicensed because of exceptional
11 circumstances, such as death or incapacity of a provider, and that to
12 require the full payment of the licensing and processing fees would
13 present a hardship to the applicant. In these situations the
14 department is also granted the authority to waive the required
15 residential administrator training for a period of 120 days if
16 necessary to ensure continuity of care during the relicensing
17 process.

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

21 (10) \$234,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$479,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for the kinship navigator
24 program in the Colville Indian reservation, Yakama Nation, and other
25 tribal areas.

26 (11) \$42,000 of the general fund—state appropriation for fiscal
27 year 2018, \$127,000 of the general fund—state appropriation for
28 fiscal year 2019, and \$169,000 of the general fund—federal
29 appropriation are provided solely to implement chapter 270, Laws of
30 2017 (SB 5118) (personal needs allowance).

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

35 (13) Within amounts appropriated in this subsection, the
36 department shall assist the legislature to continue the work of the
37 joint legislative executive committee on planning for aging and
38 disability issues.

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

3 (i) Four members of the senate, with the leaders of the two
4 largest caucuses each appointing two members, and four members of the
5 house of representatives, with the leaders of the two largest
6 caucuses each appointing two members;

7 (ii) A member from the office of the governor, appointed by the
8 governor;

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

11 (iv) The director of the health care authority or his or her
12 designee;

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

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

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

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

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

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

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

31 (iv) Identify ways to promote advance planning and advance care
32 directives and implementation strategies for the Bree collaborative
33 palliative care and related guidelines;

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

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

39 (vii) Identify options for promoting client safety through
40 residential care services and consider methods of protecting older

1 people and people with disabilities from physical abuse and financial
2 exploitation;

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

6 (ix) Identify ways to support individuals with developmental
7 disabilities with long-term care needs who are enrolled members of a
8 federally recognized Indian tribe, or residing in the household of an
9 enrolled members of a federally recognized Indian tribe, and are
10 receiving care from a family member.

11 (c) At least one committee meeting must be devoted to the
12 exploration of legislation that would allow family members to provide
13 personal care services to persons with developmental disabilities or
14 long-term care needs under a voluntary consumer-directed medicaid
15 service program. During the meeting, the committee should hear
16 testimony from as many impacted parties as possible, including
17 clients, providers, advocacy groups, and staff from state agencies.
18 Testimony should explore program design, program oversight, necessary
19 statutory changes, barriers to implementation, fiscal estimates, and
20 timeline for implementation.

21 (d) Staff support for the committee shall be provided by the
22 office of program research, senate committee services, the office of
23 financial management, and the department of social and health
24 services.

25 (e) Within existing appropriations, the cost of meetings must be
26 paid jointly by the senate, house of representatives, and the office
27 of financial management. Joint committee expenditures are subject to
28 approval by the senate facilities and operations committee and the
29 house of representatives executive rules committee, or their
30 successor committees. The joint committee members may be reimbursed
31 for travel expenses as authorized under RCW 43.03.050 and 43.03.060,
32 and chapter 44.04 RCW as appropriate. Advisory committee members may
33 not receive compensation or reimbursement for travel and expenses.

34 (14)(a) The department of social and health services must
35 facilitate a stakeholder work group consisting of assisted living
36 provider associations and the state long-term care ombuds in a
37 collaborative effort to redesign the medicaid payment methodology for
38 contracted assisted living, adult residential care, and enhanced
39 adult residential care. The department must submit a report with the
40 final work group recommendations to the appropriate legislative

1 committees by November 30, 2017. A proposed timeline for
2 implementation of the new methodology must be included in the report.
3 The new methodology must:

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

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

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

12 (iv) Be supported by relevant, reliable, verifiable, and
13 independent data to the extent possible; and

14 (v) To the extent possible, repurpose and streamline data sources
15 and modeling that the aging and long-term support administration uses
16 for other rate-setting processes.

17 (b) In developing payment metrics for medicaid-covered services,
18 staff and service requirements must be reviewed for assisted living,
19 adult residential care, and enhanced adult residential care as
20 described in chapters 74.39A and 18.20 RCW. At a minimum, the
21 proposed rate methodology must include a component that recognizes
22 staffing for intermittent nursing and personal care services. Service
23 area adjustments based on population density must be reviewed and
24 compared with other options to recognize high-cost areas. The most
25 recent and complete wage data available through the bureau of labor
26 statistics must also be included for review and consideration. The
27 methodology work group must consider operational requirements and
28 indirect services in developing the model. The work group must
29 include a rate component that recognizes statutory and regulatory
30 physical plant requirements. The work group must review and consider
31 physical plant requirements for assisted living as described in
32 chapter 51.50 RCW. A fair rental valuation must be reviewed and
33 considered as an option for the capital component. The recognition of
34 food for medicaid residents must also be included in the work group
35 considerations. The department's current methodology to address room
36 and board requirements, and the appropriateness of the continued use
37 of the 2003 time study and whether it can be reasonably adjusted or
38 whether a new time study should be conducted, must be reviewed and
39 considered by the work group.

1 (15) Within amounts appropriated in this section, the department
2 must pay medicaid nursing facility payment rates for public hospital
3 district providers in rural communities as defined under chapter
4 70.44 RCW that are no less than June 30, 2016, reimbursement levels.
5 This action is intended to assure continued access to essential
6 services in rural communities.

7 (16) \$5,370,000 of the general fund—state appropriation for
8 fiscal year 2018, \$10,199,000 of the general fund—state appropriation
9 for fiscal year 2019, and \$18,346,000 of the general fund—federal
10 appropriation are provided solely for a targeted vendor rate increase
11 to contracted client service providers.

12 (a) Within the amounts provided in this subsection, \$2,763,000 of
13 the general fund—state appropriation for fiscal year 2018, \$5,741,000
14 of the general fund—state appropriation for fiscal year 2019, and
15 \$9,775,000 of the general fund—federal appropriation are provided
16 solely for a vendor rate increase of two percent in fiscal year 2018
17 and an additional two percent in fiscal year 2019 for all contracted
18 vendors with the exception of nursing home providers, the program of
19 all-inclusive care for the elderly, nurse delegators, community
20 residential service providers, individual providers, agency
21 providers, and adult family homes.

22 (b) Within the amounts provided in this subsection, \$2,607,000 of
23 the general fund—state appropriation for fiscal year 2018, \$4,458,000
24 of the general fund—state appropriation for fiscal year 2019, and
25 \$8,571,000 of the general fund—federal appropriation are provided
26 solely to increase vendor rates for nursing homes, assisted living
27 facilities including adult residential care and enhanced adult
28 residential care, adult day health and adult day care providers, and
29 home care agency administration in the 2017-2019 fiscal biennium up
30 to the statewide minimum wage established in Initiative Measure No.
31 1433.

32 (17) \$4,815,000 of the general fund—state appropriation for
33 fiscal year 2018, \$8,527,000 of the general fund—state appropriation
34 for fiscal year 2019, and \$12,277,000 of the general fund—federal
35 appropriation are provided solely to create new community alternative
36 placement beds that prioritize the transition of clients who are
37 ready for discharge from the state psychiatric hospitals, but who
38 have additional long-term care or developmental disability needs.

1 (a) Community alternative placement beds include enhanced service
2 facility beds, adult family home beds, skilled nursing facility beds,
3 shared supportive housing beds, state operated living alternative
4 beds, and assisted living facility beds.

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

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

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

34 (e) During fiscal year 2019, in a presentation to the select
35 committee on quality improvement in state hospitals, the department
36 must provide an update about clients placed out of the state
37 psychiatric hospitals into the community alternative placement
38 options described in (a) of this subsection. At a minimum, for each
39 setting, the presentation must include data about the number of
40 placements, average daily rate, complaints fielded, and complaints

1 investigated. The presentation must also include information about
2 modifications, including the placement of clients into alternate
3 settings, that occurred due to the evaluations required under (c) of
4 this subsection.

5 In developing bed capacity, the department shall consider the
6 complex needs of individuals waiting for discharge from the state
7 psychiatric hospitals.

8 (18) \$315,000 of the general fund—state appropriation for fiscal
9 year 2018, \$315,000 of the general fund—state appropriation for
10 fiscal year 2019, and \$630,000 of the general fund—federal
11 appropriation are provided solely for discharge case managers
12 stationed at the state psychiatric hospitals. Discharge case managers
13 will transition clients ready for hospital discharge into less
14 restrictive alternative community placements. The transition of
15 clients ready for discharge will free up bed capacity at the state
16 psychiatric hospitals.

17 (19) \$135,000 of the general fund—state appropriation for fiscal
18 year 2018, \$135,000 of the general fund—state appropriation for
19 fiscal year 2019, and \$270,000 of the general fund—federal
20 appropriation are provided solely for financial service specialists
21 stationed at the state psychiatric hospitals. Financial service
22 specialists will help to transition clients ready for hospital
23 discharge into alternative community placements. The transition of
24 clients ready for discharge will free up bed capacity at the state
25 hospitals.

26 (20) \$5,007,000 of the general fund—state appropriation for
27 fiscal year 2018, \$5,143,000 of the general fund—state appropriation
28 for fiscal year 2019, and \$10,154,000 of the general fund—federal
29 appropriation are provided solely to implement chapter 286, Laws of
30 2017 (SB 5715) (nursing home payments).

31 (21) \$750,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$750,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely to implement chapter 287, Laws
34 of 2017 (SB 5736) (nutrition programs).

35 (22) \$183,000 of the general fund—state appropriation for fiscal
36 year 2018, \$92,000 of the general fund—state appropriation for fiscal
37 year 2019, and \$2,479,000 of the general fund—federal appropriation
38 are provided solely to finish the programming necessary to give the
39 department the ability to pay individual provider overtime when hours

1 over 40 hours per week are authorized for payment and are subject to
2 the conditions, limitations, and review provided in section 724 of
3 this act.

4 (23) \$229,000 of the general fund—state appropriation for fiscal
5 year 2018, \$229,000 of the general fund—state appropriation for
6 fiscal year 2019, and \$458,000 of the general fund—federal
7 appropriation are provided solely to increase the daily rate for
8 private duty nursing in adult family homes by \$63.77.

9 (24) \$246,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$313,000 of the general fund—federal appropriation are
11 provided solely to implement Senate Bill No. . . . (S-2907.2). (~~If~~
12 ~~the bill is not enacted by July 31, 2017, the amounts provided in~~
13 ~~this subsection shall lapse.~~)

14 (25)(a) No more than \$41,388,000 of the general fund—federal
15 appropriation may be expended for tailored support for older adults
16 and medicaid alternative care described in initiative 2 of the
17 medicaid transformation demonstration waiver under healthier
18 Washington. The department shall not increase general fund—state
19 expenditures on this initiative. The secretary in collaboration with
20 the director of the health care authority shall report to the joint
21 select committee on health care oversight no less than quarterly on
22 financial and health outcomes. The secretary in cooperation with the
23 director shall also report to the fiscal committees of the
24 legislature all of the expenditures of this subsection and shall
25 provide such fiscal data in the time, manner, and form requested by
26 the legislative fiscal committees.

27 (b) No more than \$2,200,000 of the general fund—federal
28 appropriation may be expended for supported housing and employment
29 services described in initiative 3a and 3b of the medicaid
30 transformation demonstration waiver under healthier Washington. Under
31 this initiative, the department and the health care authority shall
32 ensure that allowable and necessary services are provided to eligible
33 clients as identified by the department or its providers third party
34 administrator. The department and the authority in consultation with
35 the medicaid forecast work group shall ensure that reasonable
36 reimbursements are established for services deemed necessary within
37 an identified limit per individual. The department shall not increase
38 general fund—state expenditures under this initiative. The secretary
39 in cooperation with the director shall report to the joint select

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

7 (26) \$351,000 of the general fund—state appropriation for fiscal
8 year 2018, \$421,000 of the general fund—state appropriation for
9 fiscal year 2019, and \$1,012,000 of the general fund—federal
10 appropriation are provided solely for increasing the hourly rate for
11 nurse delegators from \$32.96 to \$45.32 effective September 1, 2017.

12 (27) \$10,017,000 of the general fund—state appropriation for
13 fiscal year 2018, \$13,111,000 of the general fund—state appropriation
14 for fiscal year 2019, and \$29,104,000 of the general fund—federal
15 appropriation are provided solely for the implementation of an
16 agreement reached between the governor and the adult family home
17 council under the provisions of chapter 41.56 RCW for the 2017-2019
18 fiscal biennium. Funding is contingent upon the enactment of Senate
19 Bill No. 5969 (transparency in public employee collective
20 bargaining). ~~((If the bill is not enacted by July 31, 2017, the
21 amounts provided in this subsection shall lapse.))~~

22 (28) \$217,000 of the general fund—state appropriation for fiscal
23 year 2019 and \$1,949,000 of the general fund—federal appropriation
24 are provided solely for the development of an information technology
25 solution that is flexible enough to accommodate all service providers
26 impacted by the requirements for electronic visit verification
27 outlined in the 21st century cures act.

28 (29) \$40,000 of the general fund—state appropriation for fiscal
29 year 2019 and \$40,000 of the general fund—federal appropriation are
30 provided solely for the department, in partnership with the
31 department of health and the health care authority, to assist a
32 collaborative public-private entity with implementation of
33 recommendations in the state plan to address alzheimer's disease and
34 other dementias.

35 ~~((31))~~ (30) \$1,000,000 of the general fund—state appropriation
36 for fiscal year 2019 and \$1,200,000 of the general fund—federal
37 appropriation are provided solely to maintain client access to
38 medicaid contracted assisted living, enhanced adult residential care,
39 and adult residential care services under chapter 74.39A RCW.

1 Licensed assisted living facilities that contract with the department
2 to serve medicaid clients under these specified contract types must
3 have an average medicaid occupancy of at least sixty percent,
4 determined using the medicaid days from the immediately preceding
5 calendar year during the months of July 1st through December 31st to
6 qualify for additional funding under this subsection.

7 ~~((32))~~ (31) \$615,000 of the general fund—state appropriation
8 for fiscal year 2019 and \$698,000 of the general fund—federal
9 appropriation are provided solely to implement Substitute House Bill
10 No. 2651 (personal needs allowance). ~~((If the bill is not enacted by
11 June 30, 2018, the amounts provided in this subsection shall lapse.~~

12 ~~(33))~~ (32) \$166,000 of the general fund—state appropriation for
13 fiscal year 2018, \$800,000 of the general fund—state appropriation
14 for fiscal year 2019, and \$1,510,000 of the general fund—federal
15 appropriation are provided solely to implement Engrossed Substitute
16 Senate Bill No. 6199 (consumer directed employer organizations). ~~((If
17 the bill is not enacted by June 30, 2018, the amounts provided in
18 this subsection shall lapse.~~

19 ~~(34))~~ (33) \$100,000 of the general fund—state appropriation for
20 fiscal year 2019 and \$100,000 of the general fund—federal
21 appropriation are provided solely for the department of social and
22 health services aging and long-term support administration to
23 contract for an updated actuarial model of the 2016 independent
24 feasibility study and actuarial modeling of public and private
25 options for leveraging private resources to help individuals prepare
26 for long-term services and supports needs. The follow-up study must
27 model alternative variations of the previously studied public long-
28 term care benefit for workers, funded through a payroll deduction
29 that would provide a time-limited long-term care insurance benefit,
30 including but not limited to alternative minimum hours worked per
31 year for vesting.

32 (b) The feasibility study and actuarial analysis must include
33 input from the joint legislative executive committee on aging and
34 disability and other interested stakeholders, and must include an
35 analysis of each variation based on:

- 36 (i) The expected costs and benefits for participants;
37 (ii) The total anticipated number of participants;
38 (iii) The projected savings to the state medicaid program, if
39 any; and

1 (iv) Legal and financial risks to the state.

2 (c) The department must provide status updates to the joint
3 legislative executive committee on aging and disability. The
4 feasibility study and actuarial analysis shall be completed and
5 submitted to the department by September 1, 2018. The department
6 shall submit a report, including the director's findings and
7 recommendations based on the feasibility study and actuarial
8 analysis, to the governor and the appropriate committees of the
9 legislature by October 1, 2018.

10 ((~~35~~)) (34) \$50,000 of the general fund—state appropriation for
11 fiscal year 2019 and \$50,000 of the general fund—federal
12 appropriation are provided solely for the department of social and
13 health services aging and long-term support administration to
14 contract with the area agencies on aging to convene a work group to
15 include long-term care industry members, family members who provide
16 long-term services and supports, and other groups with interest in
17 long-term services and supports to develop a proposal on how family
18 members could be included as providers of long-term services and
19 supports under the previously studied public long-term care benefit.
20 The work group shall review options and propose:

21 (a) Minimum qualifications that would allow a family caregiver to
22 serve as a long-term services and supports provider, which may:

23 (i) Be distinct from the qualifications on the effective date of
24 this act for individual providers;

25 (ii) Require training based primarily on the individual needs and
26 preferences of the beneficiary;

27 (iii) Take into account the existing relationship between the
28 family caregiver and the beneficiary, the duration of the caregiving
29 experience, and the type of care being provided.

30 (b) Administrative program options for providing compensation,
31 benefits, and protections for family caregivers, considering cost-
32 effectiveness and administrative simplification. The program options
33 shall consider how to preserve the quality of the long-term care
34 workforce and must include worker protections and benefits.

35 (c) The work group shall develop recommendations and provide the
36 recommendations to the joint legislative and executive committee on
37 aging and disability by November 15, 2018.

38 **Sec. 206.** 2018 c 299 s 207 (uncodified) is amended to read as
39 follows:

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

3	General Fund—State Appropriation (FY 2018).	\$362,611,000
4	General Fund—State Appropriation (FY 2019).	(\$373,055,000)
5		<u>\$398,426,000</u>
6	General Fund—Federal Appropriation.	(\$1,443,711,000)
7		<u>\$1,441,215,000</u>
8	General Fund—Private/Local Appropriation.	(\$5,144,000)
9		<u>\$5,330,000</u>
10	Administrative Contingency Account—State	
11	Appropriation.	\$5,400,000
12	Pension Funding Stabilization Account—State	
13	Appropriation.	\$29,264,000
14	<u>Domestic Violence Prevention Account—State Appropriation.</u>	<u>\$1,002,000</u>
15	TOTAL APPROPRIATION.	(\$2,219,185,000)
16		<u>\$2,243,248,000</u>

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

19 (1) (a) \$125,399,000 of the general fund—state appropriation for
20 fiscal year 2018, ~~(\$124,458,000)~~ \$130,098,000 of the general fund—
21 state appropriation for fiscal year 2019, ~~(\$836,761,000)~~
22 \$836,761,000 of the general fund—federal appropriation, \$5,400,000 of
23 the administrative contingency account—state appropriation, and
24 \$8,155,000 of the pension funding stabilization account—state
25 appropriation are provided solely for all components of the WorkFirst
26 program. Within the amounts provided for the WorkFirst program, the
27 department may provide assistance using state-only funds for families
28 eligible for temporary assistance for needy families. The department
29 must create a WorkFirst budget structure that allows for transparent
30 tracking of budget units and subunits of expenditures where these
31 units and subunits are mutually exclusive from other department
32 budget units. The budget structure must include budget units for the
33 following: Cash assistance, child care, WorkFirst activities, and
34 administration of the program. Within these budget units, the
35 department must develop program index codes for specific activities
36 and develop allotments and track expenditures using these codes. The
37 department shall report to the office of financial management and the
38 relevant fiscal and policy committees of the legislature prior to
39 adopting a structure change.

1 (b) (~~(\$260,135,000)~~) \$265,432,000 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,~~
12 ~~the amount provided in this subsection shall lapse.)~~) Of the amounts
13 provided in this subsection (1)(b), \$8,975,000 of the general fund—
14 state appropriation for fiscal year 2019 is provided solely for the
15 department to increase the grant standard.

16 (c) \$158,444,000 of the amounts in (a) of this subsection are
17 provided solely for WorkFirst job search, education and training
18 activities, barrier removal services, limited English proficiency
19 services, and tribal assistance under RCW 74.08A.040. The department
20 must allocate this funding based on client outcomes and cost
21 effectiveness measures. Amounts provided in (c) of this subsection
22 include funding for implementation of chapter 156, Laws of 2017 (2SSB
23 5347) (WorkFirst "work activity"). Within amounts provided in (c) of
24 this subsection, the department shall implement the working family
25 support program. The department shall adopt rules to take effect July
26 31, 2017, to limit the working family support program at 10,000
27 households.

28 (~~(\$1,700,000)~~) \$2,700,000 of the funds appropriated in (~~(e) of~~)
29 this subsection (1)(c) are provided solely for enhanced
30 transportation assistance provided that the department prioritize the
31 use of these funds for the recipients most in need of financial
32 assistance to facilitate their return to work. The department must
33 not utilize these funds to supplant repayment arrangements that are
34 currently in place to facilitate the reinstatement of drivers'
35 licenses.

36 (d) (i) \$477,054,000 of the amounts in (a) of this subsection are
37 provided solely for the working connections child care program under
38 RCW (~~(43.215.135)~~) 43.216.020. In order to not exceed the
39 appropriated amount, the department shall manage the program so that
40 the average monthly caseload does not exceed 33,000 households and

1 the department shall give prioritized access into the program
2 according to the following order:

3 (A) Families applying for or receiving temporary assistance for
4 needy families (TANF);

5 (B) TANF families curing sanction;

6 (C) Foster children;

7 (D) Families that include a child with special needs;

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

12 (F) Families with a child residing with a biological parent or
13 guardian who have received child protective services, child welfare
14 services, or a family assessment response from the department in the
15 past six months, and has received a referral for child care as part
16 of the family's case management.

17 (G) Families that received subsidies within the last thirty days
18 and:

19 (I) Have reapplied for subsidies; and

20 (II) Have household income of two hundred percent federal poverty
21 level or below; and

22 (H) All other eligible families.

23 (ii) The department, within existing appropriations, must ensure
24 quality control measures for the working connections child care
25 program by maximizing the use of information technology systems and
26 the development or modification of the application and standard
27 operating procedures to ensure that cases are:

28 (A) Appropriately and accurately processed; and

29 (B) Routinely monitored for eligibility in a manner that is
30 similar to processes and systems currently in place for regular
31 monitoring in other public assistance programs. Eligibility criteria
32 routinely monitored must include, at a minimum:

33 (I) Participation in work or other approved activities;

34 (II) Household composition; and

35 (III) Maximum number of subsidized child care hours authorized.

36 The department must submit a preliminary report by December 1, 2017,
37 and a final report by December 1, 2018, to the governor and the
38 appropriate fiscal and policy committees of the legislature detailing
39 the specific actions taken to implement this subsection.

1 (iii) Of the amounts provided in (d) of this subsection,
2 \$4,620,000 of the appropriation for fiscal year 2018 and \$4,792,000
3 of the appropriation for fiscal year 2019 are provided for a base
4 rate increase, a rate increase for Family Friend and Neighbor
5 providers, covering an increase for health insurance premiums, and
6 increasing paid professional development days from three days to five
7 days. This funding is for the 2017-2019 collective bargaining
8 agreement covering family child care providers as set forth in
9 section 940 of this act.

10 (iv) Of the amounts provided in (d) of this subsection,
11 \$8,547,000 of the general fund—state appropriation for fiscal year
12 2018 and \$10,438,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for subsidy base rate increases
14 for child care center providers.

15 (e) \$34,248,000 of the general fund—federal appropriation is
16 provided solely for child welfare services within the department of
17 children, youth, and families.

18 (f) (~~(\$170,292,000)~~) \$170,634,000 of the amounts in (1)(a) of
19 this section are provided solely for WorkFirst and working
20 connections child care administration and overhead. \$127,000 of the
21 funds appropriated in this subsection for fiscal year 2019 are
22 provided solely for implementation of chapter 9, Laws of 2017 3rd sp.
23 sess. (working connections child care).

24 (g) The amounts in subsections (1)(b) through (e) of this section
25 shall be expended for the programs and in the amounts specified.
26 However, the department may transfer up to 10 percent of funding
27 between subsections (1)(b) through (f) of this section. The
28 department shall provide notification prior to any transfer to the
29 office of financial management and to the appropriate legislative
30 committees and the legislative-executive WorkFirst oversight task
31 force. The approval of the director of financial management is
32 required prior to any transfer under this subsection.

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

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

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

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

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

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

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

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

25 (j) The department must submit a report by December 1, 2018, to
26 the governor and the appropriate fiscal and policy committees of the
27 legislature that estimates the caseload and fiscal impact of
28 returning to pre-2011 temporary assistance for needy families
29 policies. At a minimum, the report must include an analysis of the
30 caseload and fiscal impact of:

31 (i) Removing the sixty-month lifetime limit;

32 (ii) Lessening sanction policies; and

33 (iii) No longer requiring the WorkFirst orientation.

34 (2) \$1,657,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$1,657,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for naturalization services.

37 (3) \$2,366,000 of the general fund—state appropriation for fiscal
38 year 2018 is provided solely for employment services for refugees and
39 immigrants, of which \$1,774,000 is provided solely for the department

1 to pass through to statewide refugee and immigrant assistance
2 organizations for limited English proficiency pathway services; and
3 \$2,366,000 of the general fund—state appropriation for fiscal year
4 2019 is provided solely for employment services for refugees and
5 immigrants, of which \$1,774,000 is provided solely for the department
6 to pass through to statewide refugee and immigrant assistance
7 organizations for limited English proficiency pathway services.

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

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

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

26 (7) \$856,000 of the general fund—state appropriation for fiscal
27 year 2018, (~~(\$1,848,000)~~) \$2,913,000 of the general fund—state
28 appropriation for fiscal year 2019, and (~~(\$16,267,000)~~) \$12,034,000
29 of the general fund—federal appropriation are provided solely for
30 ESAR Architectural Development and are subject to the conditions,
31 limitations, and review provided in section 724 of this act.

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

38 (9) \$750,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$750,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for operational support of the
2 Washington information network 211 organization.

3 (10) \$90,000 of the general fund—state appropriation for fiscal
4 year 2018, \$8,000 of the general fund—state appropriation for fiscal
5 year 2019, and \$36,000 of the general fund—federal appropriation are
6 provided solely for implementation of chapter 270, Laws of 2017 (SB
7 5118) (personal needs allowance).

8 (11) \$438,000 of the general fund—state appropriation for fiscal
9 year 2019 is provided solely for the implementation of Engrossed
10 Second Substitute House Bill No. 1831 (public assistance/resources).
11 ~~((If the bill is not enacted by June 30, 2018, the amount provided in
12 this subsection shall lapse.))~~

13 (12) \$43,000 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 Engrossed Second Substitute Bill No. 2667 (essential needs/ABD
17 programs). ~~((If the bill is not enacted by June 30, 2018, the amount
18 provided in this subsection shall lapse.))~~

19 (13) \$58,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for the implementation of Substitute
21 House Bill No. 2651 (personal needs allowance). ~~((If the bill is not
22 enacted by June 30, 2018, the amount provided in this subsection
23 shall lapse.))~~

24 (14) \$5,000,000 of the general fund—federal appropriation is
25 provided solely for the resources to initiate successful employment
26 program. The department shall submit a preliminary report of its
27 findings of the impact of this program on increasing employment to
28 the appropriate committees of the legislature no later than January
29 1, 2019, with a final report submitted no later than June 30, 2019.

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

35 (16) \$51,000 of the general fund—state appropriation for fiscal
36 year 2019 and \$21,000 of the general fund—federal appropriation are
37 provided solely to implement Second Substitute House Bill No. 1513
38 (youth voter registration information). ~~((If the bill is not enacted~~

1 ~~by June 30, 2018, the amounts provided in this subsection shall~~
2 ~~lapse.))~~

3 (17) \$22,000 of the general fund—state appropriation for fiscal
4 year 2019 and \$43,000 of the general fund—federal appropriation are
5 provided solely to implement Engrossed Substitute Senate Bill No.
6 6037 (uniform parentage act). ~~((If the bill is not enacted by June~~
7 ~~30, 2018, the amount provided in this subsection shall lapse.))~~

8 **Sec. 207.** 2018 c 299 s 209 (uncodified) is amended to read as
9 follows:

10 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—VOCATIONAL**
11 **REHABILITATION PROGRAM**

12	General Fund—State Appropriation (FY 2018)	. . . . .	\$13,890,000
13	General Fund—State Appropriation (FY 2019)	. . . . .	(((\$14,443,000))
14			<u>\$14,564,000</u>
15	General Fund—Federal Appropriation	. . . . .	\$109,730,000
16	Pension Funding Stabilization Account—State		
17	Appropriation	. . . . .	\$2,024,000
18	TOTAL APPROPRIATION	. . . . .	(((\$140,087,000))
19			<u>\$140,208,000</u>

20 The appropriations in this section are subject to the following
21 conditions and limitations: The department of social and health
22 services vocational rehabilitation program shall participate in the
23 development of an implementation plan to build statewide capacity
24 among school districts to improve transition planning for students in
25 special education who meet criteria for services from the
26 developmental disabilities administration, pursuant to section
27 501(57) of this act.

28 **Sec. 208.** 2018 c 299 s 210 (uncodified) is amended to read as
29 follows:

30 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—SPECIAL COMMITMENT**
31 **PROGRAM**

32	General Fund—State Appropriation (FY 2018)	. . . . .	\$46,202,000
33	General Fund—State Appropriation (FY 2019)	. . . . .	(((\$47,157,000))
34			<u>\$49,229,000</u>
35	Pension Funding Stabilization Account—State		
36	Appropriation	. . . . .	\$4,858,000
37	TOTAL APPROPRIATION	. . . . .	(((\$98,217,000))

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

Sec. 209. 2018 c 299 s 211 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ADMINISTRATION AND SUPPORTING SERVICES PROGRAM

General Fund—State Appropriation (FY 2018)	\$33,712,000
General Fund—State Appropriation (FY 2019)	(\$29,364,000)
	<u>\$31,760,000</u>
General Fund—Federal Appropriation	(\$43,831,000)
	<u>\$44,580,000</u>
Pension Funding Stabilization Account—State	
Appropriation	\$6,247,000
TOTAL APPROPRIATION	(\$113,154,000)
	<u>\$116,299,000</u>

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

(1) \$300,000 of the general fund—state appropriation for fiscal year 2018 and \$500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a Washington state mentoring organization to continue its public-private partnerships to provide technical assistance and training to mentoring programs that serve at-risk youth.

(2) Within amounts appropriated in this section, the department shall provide to the department of health, where available, the following data for all nutrition assistance programs funded by the United States department of agriculture and administered by the department. The department must provide the report for the preceding federal fiscal year by February 1, 2018, and February 1, 2019. The report must provide:

(a) The number of people in Washington who are eligible for the program;

(b) The number of people in Washington who participated in the program;

- (c) The average annual participation rate in the program;
- (d) Participation rates by geographic distribution; and
- (e) The annual federal funding of the program in Washington.

(3) \$1,216,000 of the general fund—state appropriation for fiscal year 2019 and \$515,000 of the general fund—federal appropriation are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1661 (child, youth, families department). ~~((If the bill is not enacted by July 31, 2017, the amount provided in this subsection shall lapse.))~~

(4) \$81,000 of the general fund—state appropriation for fiscal year 2018, \$86,000 of the general fund—state appropriation for fiscal year 2019, and \$167,000 of the general fund—federal appropriation are provided solely for the implementation of an agreement reached between the governor and the Washington federation of state employees for the language access providers under the provisions of chapter 41.56 RCW for the 2017-2019 fiscal biennium. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). ~~((If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.))~~

Sec. 210. 2018 c 299 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER AGENCIES PROGRAM	
General Fund—State Appropriation (FY 2018)	\$82,245,000
General Fund—State Appropriation (FY 2019)	(\$42,783,000)
	<u>\$45,148,000</u>
General Fund—Federal Appropriation	(\$57,081,000)
	<u>\$52,189,000</u>
TOTAL APPROPRIATION	(\$182,109,000)
	<u>\$179,582,000</u>

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

(1) \$39,000 of the general fund—state appropriation for fiscal year 2018 and \$11,000 of the general fund—federal appropriation are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1661 (child, youth, families department). ~~((If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.))~~

1 (2) \$12,000 of the general fund—state appropriation for fiscal
2 year 2018, \$12,000 of the general fund—state appropriation for fiscal
3 year 2019, and \$24,000 of the general fund—federal appropriation are
4 provided solely for the implementation of chapter 268, Laws of 2017
5 (2SHB 1402) (incapacitated persons/rights).

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

10 (4) \$157,000 of the general fund—state appropriation for fiscal
11 year 2018, \$159,000 of the general fund—state appropriation for
12 fiscal year 2019, and \$134,000 of the general fund—federal
13 appropriation are provided solely for legal support, including formal
14 proceedings and informal client advice, associated with adult
15 protective service investigations.

16 **Sec. 211.** 2018 c 299 s 213 (uncodified) is amended to read as
17 follows:

18 **FOR THE STATE HEALTH CARE AUTHORITY**

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

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

31 The health care authority shall not initiate any services that
32 require expenditure of state general fund moneys unless expressly
33 authorized in this act or other law. The health care authority may
34 seek, receive, and spend, under RCW 43.79.260 through 43.79.282,
35 federal moneys not anticipated in this act as long as the federal
36 funding does not require expenditure of state moneys for the program
37 in excess of amounts anticipated in this act. If the health care
38 authority receives unanticipated unrestricted federal moneys, those

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

10 The appropriations to the health care authority in this act shall
 11 be expended for the programs and in the amounts specified in this
 12 act. To the extent that appropriations in this section are
 13 insufficient to fund actual expenditures in excess of caseload
 14 forecasts and utilization assumptions, the authority, after May 1,
 15 ((2018)) 2019, may transfer general fund—state appropriations for
 16 fiscal year ((2018)) 2019 that are provided solely for a specified
 17 purpose. The authority may not transfer funds, and the director of
 18 the office of financial management shall not approve the transfer,
 19 unless the transfer is consistent with the objective of conserving,
 20 to the maximum extent possible, the expenditure of state funds. The
 21 director of the office of financial management shall notify the
 22 appropriate fiscal committees of the senate and house of
 23 representatives in writing seven days prior to approving any
 24 allotment modifications or transfers under this subsection. The
 25 written notification must include a narrative explanation and
 26 justification of changes, along with expenditures and allotments by
 27 budget unit and appropriation, both before and after any allotment
 28 modifications and transfers.

29 (1) MEDICAL ASSISTANCE

30	General Fund—State Appropriation (FY 2018)	\$2,024,969,000
31	General Fund—State Appropriation (FY 2019).	((\$2,084,494,000))
32		<u>\$2,172,492,000</u>
33	General Fund—Federal Appropriation.	((\$11,823,330,000))
34		<u>\$11,932,315,000</u>
35	General Fund—Private/Local Appropriation.	((\$204,427,000))
36		<u>\$240,835,000</u>
37	Emergency Medical Services and Trauma Care Systems	
38	Trust Account—State Appropriation.	\$15,086,000
39	Hospital Safety Net Assessment Account—State	

1	Appropriation.	((\$693,099,000))
2		<u>\$713,117,000</u>
3	Medicaid Fraud Penalty Account—State Appropriation.	((\$28,154,000))
4		<u>\$18,764,000</u>
5	Medical Aid Account—State Appropriation.	\$528,000
6	Dedicated Marijuana Account—State Appropriation	
7	(FY 2018).	\$17,616,000
8	Dedicated Marijuana Account—State Appropriation	
9	(FY 2019).	\$18,405,000
10	Pension Funding Stabilization Account—State	
11	Appropriation.	\$4,538,000
12	TOTAL APPROPRIATION.	((\$16,914,646,000))
13		<u>\$17,158,665,000</u>

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

16 (a) \$268,117,000 of the general fund—state appropriation for
17 fiscal year 2018 and \$264,704,000 of the general fund—state
18 appropriation for fiscal year 2019 are provided solely for the
19 authority to implement a single, standard medicaid preferred drug
20 list to be used by all contracted medicaid managed health care
21 systems, on or before January 1, 2018. The preferred drug list shall
22 be developed in consultation with all contracted managed health care
23 systems and the state pharmacy and therapeutics committee or drug
24 utilization review board and shall further the goals and objectives
25 of the medicaid program. The list shall be designed to maximize
26 federal rebates and supplemental rebates and ensure access to
27 clinically effective and appropriate drug therapies under each class.
28 Entities eligible for 340B drug pricing shall continue to operate
29 under their current pricing agreement, unless otherwise required by
30 federal laws or regulations. The authority may utilize external
31 consultants with expertise in evidence-based drug class reviews,
32 pharmacy benefit management, and purchasing to assist with the
33 completion of this development and implementation. The authority
34 shall require each managed care organization that has contracted with
35 the authority to provide care to medicaid beneficiaries to use the
36 established preferred drug list; and shall prohibit each managed care
37 organization and any of its agents from negotiating or collecting
38 rebates for any medications listed in the state's medicaid single
39 preferred drug list whether preferred or nonpreferred. To assist in

1 the implementation of the single preferred drug list, contracted
2 medicaid managed health care systems shall provide the authority
3 drug-specific financial information in a format and frequency
4 determined by the authority to include the actual amounts paid to
5 pharmacies for prescription drugs dispensed to covered individuals
6 compared to the cost invoiced to the health plan and individual
7 rebates collected for prescription drugs dispensed to medicaid
8 members. Information disclosed to the authority by the manufacturer
9 pursuant to this provision shall only be used for the purposes of
10 developing and implementing a single, standard state preferred drug
11 list in accordance with this provision. The authority, medicaid
12 managed care organizations, and all other parties shall maintain the
13 confidentiality of drug-specific financial and other proprietary
14 information and such information shall not be subject to the
15 Washington public records act. The authority shall provide a report
16 to the governor and appropriate committees of the legislature by
17 November 15, 2018, and by November 15, 2019, including a comparison
18 of the amount spent in the previous two fiscal years to expenditures
19 under the new system by, at a minimum, fund source, total
20 expenditure, drug class, and top twenty-five drugs. The data provided
21 to the authority shall be aggregated in any report by the authority,
22 the legislature, or the office of financial management so as not to
23 disclose the proprietary or confidential drug-specific information,
24 or the proprietary or confidential information that directly or
25 indirectly identifies financial information linked to a single
26 manufacturer. It is the intent of the legislature to revisit this
27 policy in subsequent biennia to determine whether it is in the best
28 interest of the state.

29 (b) \$113,356,000 of the general fund—state appropriation for
30 fiscal year 2018 and \$140,578,000 of the general fund—state
31 appropriation for fiscal year 2019 are provided solely for managed
32 care capitation payments.

33 (c) \$122,244,000 of the general fund—state appropriation for
34 fiscal year 2018 and \$116,038,000 of the general fund—state
35 appropriation for fiscal year 2019 are provided solely for the
36 authority through the competitive procurement process, to contract
37 with licensed dental health plans or managed health care plans on a
38 prepaid or fixed-sum risk basis to provide carved-out managed dental
39 care services on a statewide basis that will result in greater

1 efficiency and will facilitate better access and oral health outcomes
2 for medicaid enrollees. Except in areas where only a single plan is
3 available, the authority must contract with at least two plans. The
4 authority shall include in the contracts: (i) Quarterly reporting
5 requirements to include medicaid utilization and encounter data by
6 current dental technology (CDT) code; (ii) a direction to increase
7 the dental provider network; (iii) a commitment to retain innovative
8 programs that improve access and care such as the access to baby and
9 child dentistry program; (iv) a program to reduce emergency room use
10 for dental purposes; (v) a requirement to ensure that dental care is
11 being coordinated with the primary care provider of the patient to
12 ensure integrated care; (vi) a provision that no less than eighty-
13 five percent of the contracting fee be used to directly offset the
14 cost of providing direct patient care as opposed to administrative
15 costs; and (vii) a provision to ensure the contracting fee shall be
16 sufficient to compensate county health departments and federally
17 qualified health centers for dental patient care. The plan(s) awarded
18 this contract must absorb all start-up costs associated with moving
19 the program from fee-for-service to managed care and shall commit to
20 achieving an overall savings to the program based on 2016 fee-for-
21 service experience. In order to comply with state insurance
22 underwriting standards, the authority shall ensure that savings
23 offered by dental plans are actuarially sound. Starting January 31,
24 2019, and every year thereafter through December 2024, the authority
25 shall submit an annual report to the governor and the appropriate
26 committees of the legislature detailing how the contracted entities
27 have met the requirements of the contract. The report shall include
28 specific information to include utilization, how the contracted
29 entities have increased their dental provider networks, how the
30 emergency room use for dental purposes has been reduced, and how
31 dental care has been integrated with patients' primary care
32 providers. If after the end of five years the data reported does not
33 demonstrate sufficient progress to address the stated contracted
34 goals, the legislature will reevaluate whether carved-out dental
35 managed care needs to be replaced with a different delivery model.
36 The authority is authorized to seek any necessary state plan
37 amendments or federal waivers to implement this subsection.
38 Additional dental program savings achieved by the plans beyond those
39 assumed in the 2017-2019 omnibus appropriations act will be used to
40 increase dental provider reimbursement rates. By October 30, 2018,

1 the authority shall report to the governor and the appropriate
2 committees of the legislature anticipated savings related to
3 reduction in dental emergency department visits and utilization once
4 managed care dental coverage begins.

5 (d) \$1,505,087,000 of the general fund—state appropriation for
6 fiscal year 2018 and \$1,538,030,000 of the general fund—state
7 appropriation for fiscal year 2019 are provided solely for medicaid
8 services and the medicaid program. However, the authority shall not
9 accept or expend any federal funds received under a medicaid
10 transformation waiver under healthier Washington except as described
11 in (e) and (f) of this subsection until specifically approved and
12 appropriated by the legislature. To ensure compliance with
13 legislative directive budget requirements and terms and conditions of
14 the waiver, the authority shall implement the waiver and reporting
15 requirements with oversight from the office of financial management.
16 The legislature finds that appropriate management of the innovation
17 waiver requires better analytic capability, transparency,
18 consistency, timeliness, accuracy, and lack of redundancy with other
19 established measures and that the patient must be considered first
20 and foremost in the implementation and execution of the demonstration
21 waiver. In order to effectuate these goals, the authority shall: (i)
22 Require the Dr. Robert Bree collaborative and the health technology
23 assessment program to reduce the administrative burden upon providers
24 by only requiring performance measures that are nonduplicative of
25 other nationally established measures. The joint select committee on
26 health care oversight will evaluate the measures chosen by the
27 collaborative and the health technology assessment program for
28 effectiveness and appropriateness; (ii) develop a patient
29 satisfaction survey with the goal to gather information about whether
30 it was beneficial for the patient to use the center of excellence
31 location in exchange for additional out-of-pocket savings; (iii)
32 ensure patients and health care providers have significant input into
33 the implementation of the demonstration waiver, in order to ensure
34 improved patient health outcomes; and (iv) in cooperation with the
35 department of social and health services, consult with and provide
36 notification of work on applications for federal waivers, including
37 details on waiver duration, financial implications, and potential
38 future impacts on the state budget, to the joint select committee on
39 health care oversight prior to submitting waivers for federal
40 approval. By federal standard, the medicaid transformation

1 demonstration waiver shall not exceed the duration originally granted
2 by the centers for medicare and medicaid services and any programs
3 created or funded by this waiver do not create an entitlement.

4 (e) No more than \$486,683,000 of the general fund—federal
5 appropriation and no more than \$129,103,000 of the general fund—local
6 appropriation may be expended for transformation through accountable
7 communities of health described in initiative 1 of the medicaid
8 transformation demonstration wavier under healthier Washington,
9 including preventing youth drug use, opioid prevention and treatment,
10 and physical and behavioral health integration. Under this
11 initiative, the authority shall take into account local input
12 regarding community needs. In order to ensure transparency to the
13 appropriate fiscal committees of the legislature, the authority shall
14 provide fiscal staff of the legislature query ability into any
15 database of the fiscal intermediary that authority staff would be
16 authorized to access. The authority shall not increase general fund—
17 state expenditures under this initiative. The director shall report
18 to the joint select committee on health care oversight no less than
19 quarterly, and include details for each accountable community of
20 health, on the financial status and measurable health outcomes. The
21 director shall also report to the fiscal committees of the
22 legislature all of the expenditures under this subsection and shall
23 provide such fiscal data in the time, manner, and form requested by
24 the legislative fiscal committees. By December 15, 2019, the
25 authority in collaboration with each accountable community of health
26 shall demonstrate how it will be self-sustaining by the end of the
27 demonstration waiver period, including sources of outside funding,
28 and provide this reporting to the joint select committee on health
29 care oversight. If by the third year of the demonstration waiver
30 there are not measurable, improved patient outcomes and financial
31 returns, the Washington state institute for public policy will
32 conduct an audit of the accountable communities of health, in
33 addition to the process set in place through the independent
34 evaluation required by the agreement with centers for medicare and
35 medicaid services. Prior to the 2018 legislative session, the human
36 services, health care, and judiciary committees of the legislature
37 will convene a joint work session to review models in the delivery
38 system and the impacts on medical liability. The work sessions should

1 include integrated delivery models with multiple health care
2 providers and medical malpractice insurance carriers.

3 (f) No more than \$38,425,000 of the general fund—federal
4 appropriation may be expended for supported housing and employment
5 services described in initiative 3a and 3b of the medicaid
6 transformation demonstration waiver under healthier Washington. Under
7 this initiative, the authority and the department of social and
8 health services shall ensure that allowable and necessary services
9 are provided to eligible clients as identified by the department or
10 its third party administrator. The authority and the department in
11 consultation with the medicaid forecast work group, shall ensure that
12 reasonable reimbursements are established for services deemed
13 necessary within an identified limit per individual. The authority
14 shall not increase general fund—state expenditures under this
15 initiative. The director shall report to the joint select committee
16 on health care oversight no less than quarterly on financial and
17 health outcomes. The director shall also report to the fiscal
18 committees of the legislature all of the expenditures of this
19 subsection and shall provide such fiscal data in the time, manner,
20 and form requested by the legislative fiscal committees.

21 (g) No later than November 1, 2018, and each year thereafter, the
22 authority shall report to the governor and appropriate committees of
23 the legislature: (i) Savings attributed to behavioral and physical
24 integration in areas that are scheduled to integrate in the following
25 calendar year, and (ii) savings attributed to behavioral and physical
26 health integration and the level of savings achieved in areas that
27 have integrated behavioral and physical health.

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

31 (i) The legislature finds that medicaid payment rates, as
32 calculated by the health care authority pursuant to the
33 appropriations in this act, bear a reasonable relationship to the
34 costs incurred by efficiently and economically operated facilities
35 for providing quality services and will be sufficient to enlist
36 enough providers so that care and services are available to the
37 extent that such care and services are available to the general
38 population in the geographic area. The legislature finds that the
39 cost reports, payment data from the federal government, historical

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

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

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

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

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

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

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

33 (p) \$6,000,000 of the general fund—federal appropriation is
34 provided solely for supplemental payments to nursing homes operated
35 by public hospital districts. The public hospital district shall be
36 responsible for providing the required nonfederal match for the
37 supplemental payment, and the payments shall not exceed the maximum
38 allowable under federal rules. It is the legislature's intent that
39 the payments shall be supplemental to and shall not in any way offset

1 or reduce the payments calculated and provided in accordance with
2 part E of chapter 74.46 RCW. It is the legislature's further intent
3 that costs otherwise allowable for rate-setting and settlement
4 against payments under chapter 74.46 RCW shall not be disallowed
5 solely because such costs have been paid by revenues retained by the
6 nursing home from these supplemental payments. The supplemental
7 payments are subject to retrospective interim and final cost
8 settlements based on the nursing homes' as-filed and final medicare
9 cost reports. The timing of the interim and final cost settlements
10 shall be at the health care authority's discretion. During either the
11 interim cost settlement or the final cost settlement, the health care
12 authority shall recoup from the public hospital districts the
13 supplemental payments that exceed the medicaid cost limit and/or the
14 medicare upper payment limit. The health care authority shall apply
15 federal rules for identifying the eligible incurred medicaid costs
16 and the medicare upper payment limit.

17 (q) The health care authority shall continue the inpatient
18 hospital certified public expenditures program for the 2017-2019
19 fiscal biennium. The program shall apply to all public hospitals,
20 including those owned or operated by the state, except those
21 classified as critical access hospitals or state psychiatric
22 institutions. The health care authority shall submit reports to the
23 governor and legislature by November 1, 2017, and by November 1,
24 2018, that evaluate whether savings continue to exceed costs for this
25 program. If the certified public expenditures (CPE) program in its
26 current form is no longer cost-effective to maintain, the health care
27 authority shall submit a report to the governor and legislature
28 detailing cost-effective alternative uses of local, state, and
29 federal resources as a replacement for this program. During fiscal
30 year 2018 and fiscal year 2019, hospitals in the program shall be
31 paid and shall retain one hundred percent of the federal portion of
32 the allowable hospital cost for each medicaid inpatient fee-for-
33 service claim payable by medical assistance and one hundred percent
34 of the federal portion of the maximum disproportionate share hospital
35 payment allowable under federal regulations. Inpatient medicaid
36 payments shall be established using an allowable methodology that
37 approximates the cost of claims submitted by the hospitals. Payments
38 made to each hospital in the program in each fiscal year of the
39 biennium shall be compared to a baseline amount. The baseline amount
40 will be determined by the total of (i) the inpatient claim payment

1 amounts that would have been paid during the fiscal year had the
2 hospital not been in the CPE program based on the reimbursement rates
3 developed, implemented, and consistent with policies approved in the
4 2017-2019 biennial operating appropriations act and in effect on July
5 1, 2015, (ii) one-half of the indigent assistance disproportionate
6 share hospital payment amounts paid to and retained by each hospital
7 during fiscal year 2005, and (iii) all of the other disproportionate
8 share hospital payment amounts paid to and retained by each hospital
9 during fiscal year 2005 to the extent the same disproportionate share
10 hospital programs exist in the 2017-2019 fiscal biennium. If payments
11 during the fiscal year exceed the hospital's baseline amount, no
12 additional payments will be made to the hospital except the federal
13 portion of allowable disproportionate share hospital payments for
14 which the hospital can certify allowable match. If payments during
15 the fiscal year are less than the baseline amount, the hospital will
16 be paid a state grant equal to the difference between payments during
17 the fiscal year and the applicable baseline amount. Payment of the
18 state grant shall be made in the applicable fiscal year and
19 distributed in monthly payments. The grants will be recalculated and
20 redistributed as the baseline is updated during the fiscal year. The
21 grant payments are subject to an interim settlement within eleven
22 months after the end of the fiscal year. A final settlement shall be
23 performed. To the extent that either settlement determines that a
24 hospital has received funds in excess of what it would have received
25 as described in this subsection, the hospital must repay the excess
26 amounts to the state when requested. \$359,000 of the general fund—
27 state appropriation for fiscal year 2018 and (~~(\$361,000)~~) \$555,000 of
28 the general fund—state appropriation for fiscal year 2019 are
29 provided solely for state grants for the participating hospitals.

30 (r) The health care authority shall seek public-private
31 partnerships and federal funds that are or may become available to
32 provide on-going support for outreach and education efforts under the
33 federal children's health insurance program reauthorization act of
34 2009.

35 (s) The health care authority shall target funding for maternity
36 support services towards pregnant women with factors that lead to
37 higher rates of poor birth outcomes, including hypertension, a
38 preterm or low birth weight birth in the most recent previous birth,
39 a cognitive deficit or developmental disability, substance abuse,
40 severe mental illness, unhealthy weight or failure to gain weight,

1 tobacco use, or African American or Native American race. The health
2 care authority shall prioritize evidence-based practices for delivery
3 of maternity support services. To the extent practicable, the health
4 care authority shall develop a mechanism to increase federal funding
5 for maternity support services by leveraging local public funding for
6 those services.

7 (t) The authority shall submit reports to the governor and the
8 legislature by September 15, 2018, and no later than September 15,
9 2019, that delineate the number of individuals in medicaid managed
10 care, by carrier, age, gender, and eligibility category, receiving
11 preventative services and vaccinations. The reports should include
12 baseline and benchmark information from the previous two fiscal years
13 and should be inclusive of, but not limited to, services recommended
14 under the United States preventative services task force, advisory
15 committee on immunization practices, early and periodic screening,
16 diagnostic, and treatment (EPSDT) guidelines, and other relevant
17 preventative and vaccination medicaid guidelines and requirements.

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

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

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

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

37 (y) \$90,000 of the general fund—state appropriation for fiscal
38 year 2018, \$90,000 of the general fund—state appropriation for fiscal
39 year 2019, and \$180,000 of the general fund—federal appropriation are

1 provided solely to continue operation by a nonprofit organization of
2 a toll-free hotline that assists families to learn about and enroll
3 in the apple health for kids program.

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

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

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

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

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

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

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

38 (gg) \$1,483,000 of the general fund—state appropriation for
39 fiscal year 2018, \$1,594,000 of the general fund—state appropriation

1 for fiscal year 2019, and \$1,509,000 of the general fund—federal
2 appropriation are provided for a rate increase effective July 1,
3 2018, and for performance payments to reward successful beneficiary
4 engagement in the health homes program for fee-for-service enrollees
5 and these are the maximum amounts in each fiscal year the authority
6 may expend for this purpose.

7 (hh) \$450,000 of the general fund—state appropriation for fiscal
8 year 2018, \$450,000 of the general fund—state appropriation for
9 fiscal year 2019, and \$1,058,000 of the general fund—federal
10 appropriation are provided solely for the authority to hire ten nurse
11 case managers to coordinate medically assisted treatment and
12 movements to medical homes for those being treated for opioid use
13 disorder. Nurses shall be located in areas and provider settings with
14 the highest concentration of opioid use disorder patients.

15 (ii) Sufficient amounts are appropriated in this section for the
16 authority to provide a collaborative care benefit beginning July 1,
17 2017.

18 (jj) The authority and the department of social and health
19 services shall convene a work group consisting of representatives of
20 skilled nursing facilities, adult family homes, assisted living
21 facilities, managers of in-home long-term care, hospitals, and
22 managed health care systems. The work group shall identify barriers
23 that may prevent skilled nursing facilities from accepting and
24 admitting clients from acute care hospitals in a timely and
25 appropriate manner. The work group shall consider what additional
26 resources are needed to allow for faster transfers of enrollees,
27 including those with complex needs. By December 1, 2017, the
28 authority shall report the work group's findings to the governor and
29 the appropriate committees of the legislature.

30 (kk) Within the amounts appropriated within this section, the
31 authority shall implement the plan to show how improved access to
32 home health nursing reduces potentially preventable readmissions,
33 increases access to care, reduces hospital length of stay, and
34 prevents overall hospital admissions for clients receiving private
35 duty nursing, medically intensive care, or home health benefits as
36 described in their report to the legislature dated December 15, 2016,
37 entitled home health nursing. The authority shall report to the
38 governor and appropriate committees of the legislature by December
39 31, 2017, information regarding the effect of the ten dollar rate

1 increases for skilled nursing care delivered via private duty nursing
2 or home health nursing, and how the rate changes impacted the
3 utilization and cost of emergency room visits, reduced the length of
4 stay for initial hospital admissions, and reduced utilization and
5 costs of preventable hospital readmissions. The report will quantify
6 potential cost saving opportunities that may exist through improved
7 access to private duty and home health nursing statewide.

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

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

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

37 (oo) \$500,000 of the general fund—state appropriation for fiscal
38 year 2019 and \$500,000 of the general fund—federal appropriation are
39 provided solely for the authority to implement the oral health
40 connections pilot project in Spokane, Thurston, and Cowlitz counties.

1 The authority shall work in collaboration with Washington dental
2 service foundation to jointly develop and implement the program. The
3 purpose of the three-year pilot is to test the effect that enhanced
4 dental benefits for adult medicaid clients with diabetes and pregnant
5 women have on access to dental care, health outcomes, and medical
6 care costs. The authority must model the pilot on the access to baby
7 and child dentistry program. The pilot program must include enhanced
8 reimbursement rates for participating dental providers, including
9 denturists licensed under chapter 18.30 RCW, and an increase in the
10 allowable number of periodontal treatments to up to four per calendar
11 year. Diabetic or pregnant adult medicaid clients who are receiving
12 dental care within the pilot region(s), regardless of location of the
13 service within the pilot region(s), are eligible for the increased
14 number of periodontal treatments. The Washington dental service
15 foundation shall partner with the authority and provide wraparound
16 services to link patients to care. The authority and Washington
17 dental service foundation shall jointly develop the program. The
18 authority and foundation shall provide a joint progress report to the
19 appropriate committees of the legislature on December 1, 2017, and
20 December 1, 2018.

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

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

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

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

38 (A) A seniority system; a merit system; a system that measures
39 earnings by quantity or quality of production; a bona fide job-

1 related factor or factors; or a bona fide regional difference in
2 compensation levels.

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

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

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

14 (iv) The authority must implement this provision with any new
15 contract and at the time of renewal of any existing contract.

16 (rr) \$100,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$100,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for a pilot program for
19 treatment of inmates at the Snohomish county jail who are undergoing
20 detoxification from heroin and other opioids and for connecting those
21 individuals with treatment providers in the community upon their
22 release.

23 (ss) \$6,487,000 of the general fund—state appropriation for
24 fiscal year 2018 and (~~(\$1,340,000)~~) \$28,000 of the general fund—state
25 appropriation for fiscal year 2019 are provided solely for the
26 physical health care costs of medicaid clients receiving services in
27 facilities classified as institutions for mental diseases for longer
28 than 15 days in a calendar month. The authority must apply for a
29 waiver from the center for medicare and medicaid services to allow
30 for the full cost of stays in institutions for mental diseases to be
31 included in managed care rates beginning on July 1, 2018. The
32 authority must submit a report on the status of the waiver to the
33 office of financial management and the appropriate committees of the
34 legislature by December 1, 2017.

35 (tt) The authority shall evaluate adding a tele-pyschiatry
36 consultation benefit for medicaid covered individuals. The authority
37 shall submit a report with the cost associated with adding such a
38 benefit to the governor and appropriate committees of the legislature
39 by October 1, 2017.

1 (uu) \$33,000 of the general fund—state appropriation for fiscal
2 year 2018, and \$42,000 of the general fund—federal appropriation are
3 provided solely for the bleeding disorder collaborative for care.

4 (vv) \$304,000 of the general fund—state appropriation for fiscal
5 year 2018, \$304,000 of the general fund—state appropriation for
6 fiscal year 2019, and \$608,000 of the general fund—federal
7 appropriation are provided solely for the authority to contract with
8 the University of Washington tele-pain pain management program and
9 pain management call center to advance primary care provider
10 knowledge of complex pain management issues, including opioid
11 addiction.

12 (ww) \$165,000 of the general fund—state appropriation for fiscal
13 year 2018, \$329,000 of the general fund—state appropriation for
14 fiscal year 2019, and \$604,000 of the general fund—federal
15 appropriation are provided solely for implementation of chapter 202,
16 Laws of 2017 (Engrossed Second Substitute House Bill No. 1713)
17 (children's mental health).

18 (xx) \$1,813,000 of the general fund—state appropriation for
19 fiscal year 2018, \$3,764,000 of the general fund—state appropriation
20 for fiscal year 2019, and \$12,930,000 of the general fund—federal
21 appropriation are provided solely for implementation of chapter 110,
22 Laws of 2017 (Second Substitute House Bill No. 1338) (state health
23 insurance pool).

24 (yy) \$68,000 of the general fund—state appropriation for fiscal
25 year 2018, \$1,118,000 of the general fund—state appropriation for
26 fiscal year 2019, and \$943,000 of the general fund—federal
27 appropriation are provided solely for implementation of chapter 198,
28 Laws of 2017 (Substitute House Bill No. 1520) (hospital payment
29 methodology).

30 (zz) Sufficient amounts are appropriated in this section for the
31 implementation of chapter 273, Laws of 2017 (Engrossed Second
32 Substitute House Bill No. 1358) (community asst. referral programs).

33 (aaa) \$69,000 of the general fund—state appropriation for fiscal
34 year 2018, \$560,000 of the general fund—state appropriation for
35 fiscal year 2019, and \$308,000 of the general fund—federal
36 appropriation are provided solely for the authority to implement,
37 operate, and maintain a provider credentialing system and are subject
38 to the conditions, limitations, and review provided in section 724 of
39 this act. The authority, in collaboration with the department of

1 health, department of corrections, department of social and health
2 services, the public employees' benefits board, and the department of
3 labor and industries, shall work to ensure that a single platform
4 provider credentialing system is implemented. The authority,
5 departments, and board shall ensure that appropriate cost offsets and
6 cost avoidance are assumed for reduced staff time required for
7 provider credentialing activity and reductions in improper billing
8 activity when implementing provider credentialing systems. The
9 authority must enter into agreements with the department of labor and
10 industries and the public employees' benefits board to pay their
11 share of the costs of implementing and operating a new provider
12 credentialing system. The authority shall submit a report to the
13 office of financial management and appropriate committees of the
14 legislature outlining projected cost savings and cost avoidance no
15 later than December 1, 2018.

16 (bbb) \$100,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$400,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for the department and the
19 health care authority to enter into an interagency agreement to
20 contract with Washington autism alliance and advocacy (WAAA) to
21 educate and assist persons seeking the authority's services to
22 address a suspected or diagnosed autism spectrum disorder or
23 developmental disability related to autism spectrum disorder. The
24 department or the authority may refer such individuals to WAAA to
25 support them in navigating the health care system. The authority, in
26 collaboration with the department and the WAAA, shall submit a report
27 to the governor and the appropriate committees of the legislature by
28 December 15, 2018, and December 15, 2019, detailing how many persons
29 were referred to, how many persons received services from, and what
30 services were provided by the WAAA. The reports shall also include
31 what health care services the WAAA was able to connect the referred
32 persons to, the length of time these connections took, the type of
33 health coverage the person referred had at the time of referral and
34 whether alternate coverage was obtained.

35 (ccc) \$20,000 of the general fund—state appropriation for fiscal
36 year 2019 and \$20,000 of the general fund—federal appropriation are
37 provided solely for the authority, in partnership with the department
38 of social and health services and the department of health, to assist
39 a collaborative public-private entity with implementation of

1 recommendations in the state plan to address alzheimer's disease and
2 other dementias.

3 (ddd) \$5,825,000 of the general fund—state appropriation for
4 fiscal year 2019 and \$8,019,000 of the general fund—federal
5 appropriation are provided solely for an increase in primary care
6 provider rates for pediatric care services that are currently
7 reimbursed solely at the existing medical assistance rates that are
8 applicable for the child's medical assistance eligibility group.
9 These amounts are the maximum that the authority may spend for this
10 purpose. The authority must pursue a state plan amendment to increase
11 pediatric primary care provider and pediatric vaccine rates through
12 state directed payments through a permissible payment model. The
13 codes considered for these increases should follow those that were
14 used under the temporary increase provided in calendar years 2013 and
15 2014 as outlined in section 1202 of the affordable care act. Both
16 physician and nonphysician practitioners are eligible for these
17 increases and are not required to attest. Increases are based upon
18 eligible codes. The authority must provide a report to the governor
19 and appropriate committees of the legislature by November 1, 2019,
20 detailing how the amounts provided in this subsection were used, what
21 percentage increase was provided for pediatric primary care provider
22 evaluation and management rates, what percentage increase was
23 provided for pediatric vaccine rates, how utilization has changed
24 within each category, and how these rate increases have impacted
25 access to care.

26 (eee) \$50,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$100,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for the authority to conduct a
29 study to identify strategies for enhancing access to primary care for
30 medical assistance clients. The authority may collaborate with other
31 stakeholders as appropriate. The authority shall provide a report
32 with recommendations to the appropriate committees of the legislature
33 by December 1, 2018. The study shall, to the extent possible:

34 (i) Review the effect of the temporary rate increase provided as
35 part of the patient protection and affordable care act on:

36 (A) The number of providers serving medical assistance clients;
37 (B) The number of medical assistance clients receiving services;

38 and

39 (C) Utilization of primary care services.

1 (ii) Identify client barriers to accessing primary care services;
2 (iii) Identify provider barriers to accepting medical assistance
3 clients;
4 (iv) Identify strategies for incentivizing providers to accept
5 more medical assistance clients;
6 (v) Prioritize areas for investment that are likely to have the
7 most impact on increasing access to care; and
8 (vi) Strategically review the current medicaid rates and identify
9 specific areas and amounts that may promote access to care.

10 (fff) \$1,400,000 of the general fund—state appropriation for
11 fiscal year 2019 and \$3,900,000 of the general fund—federal
12 appropriation are provided solely to increase the rates paid to rural
13 hospitals that meet the criteria in (hhh)(i) through (iv) of this
14 subsection. Payments for state and federal medical assistance
15 programs for services provided by such a hospital, regardless of the
16 beneficiary's managed care enrollment status, must be increased to
17 one hundred fifty percent of the hospital's fee-for-service rates.
18 The authority must discontinue this rate increase after June 30,
19 2019, and return to the payment levels and methodology for these
20 hospitals that were in place as of January 1, 2018. Hospitals
21 participating in the certified public expenditures program may not
22 receive increased reimbursement for inpatient services. Hospitals
23 qualifying for this rate increase must:

24 (i) Be certified by the centers for medicare and medicaid
25 services as sole community hospitals as of January 1, 2013;
26 (ii) Have had less than one hundred fifty acute care licensed
27 beds in fiscal year 2011;
28 (iii) Have a level III adult trauma service designation from the
29 department of health as of January 1, 2014; and
30 (iv) Be owned and operated by the state or a political
31 subdivision.

32 (ggg) \$40,000 of the general fund—state appropriation for fiscal
33 year 2019 is provided solely to create a work group at the Robert
34 Bree collaborative to identify best practices for mental health
35 services regarding patient mental health treatment and patient
36 management. The work group shall identify best practices on patient
37 confidentiality, discharging patients, treating patients with
38 homicide ideation and suicide ideation, recordkeeping to decrease
39 variation in practice patterns in these areas, and other areas as

1 defined by the work group. The work group shall be composed of
2 clinical and administrative experts including psychologists,
3 psychiatrists, advanced practice psychiatric nurses, social workers,
4 marriage and family therapists, certified counselors, and mental
5 health counselors.

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

11 (iii) \$50,000 of the general fund—state appropriation for fiscal
12 year 2019 and \$50,000 of the general fund—federal appropriation are
13 provided solely for implementation of Engrossed Second Substitute
14 House Bill No. 2779 (children's mental health services). ~~((If the
15 bill is not enacted by June 30, 2018, the amounts provided in this
16 subsection shall lapse.))~~

17 (jjj) \$31,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$44,000 of the general fund—federal appropriation are
19 provided solely for implementation of chapter 303, Laws of 2017
20 (public records administration).

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

27 (lll) \$335,000 of the general fund—state appropriation for fiscal
28 year 2019 and \$50,000 general fund—federal appropriation are provided
29 solely for implementation of Substitute Senate Bill No. 6452 (child
30 mental health consult). ~~((If the bill is not enacted by June 30,
31 2018, the amounts provided in this subsection shall lapse.))~~

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

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

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

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

11 (ii) The council shall include:

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

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

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

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

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

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

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

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

40 (I) Two individuals representing the governor's office.

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

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

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

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

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

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

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

1 (F) Expanding tribal representation on state agency boards,
2 committees (including the emergency management council), and
3 nongovernmental entities to whom the state delegates activities or
4 tasks that directly impact the Indian health delivery system; and

5 (G) Other strategies to improve population health and increase
6 access to quality health care for American Indians and Alaska
7 Natives.

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

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

18 (2) PUBLIC EMPLOYEES' BENEFITS BOARD AND EMPLOYEE BENEFITS
19 PROGRAMS

20 State Health Care Authority Administration Account—

21 State Appropriation. \$34,481,000

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

24 (a) The authority and the public employees' benefits board shall
25 consult with the Washington state institute for public policy on the
26 cost-effectiveness of the wellness plan and any changes to the plan
27 that can be made to increase the health care efficiency of the
28 wellness plan. The authority shall report its findings to the
29 governor and the appropriate committees of the legislature by October
30 15, 2018.

31 (b) The authority and the public employees' benefits board shall
32 ensure that procurement for employee health benefits during the
33 2019-2021 fiscal biennium is consistent with the funding limitations
34 provided in part 9 of this act.

35 (c) \$236,000 of the state health care authority administration
36 account—state appropriation for fiscal year 2018 and \$236,000 of the
37 state health care authority administration account—state
38 appropriation for fiscal year 2019 are provided solely to the
39 affordable care act employer shared responsibility project and are

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

3 (d) All savings resulting from reduced claim costs or other
4 factors identified after December 31, 2016, must be reserved for
5 funding employee health benefits in the 2019-2021 fiscal biennium.
6 Any changes to benefits, including covered prescription drugs, must
7 be approved by the public employees' benefits board. Upon procuring
8 benefits for calendar years 2018 and 2019, the public employees'
9 benefits board shall: (1) Not consider any changes to benefits,
10 including prescription drugs, without considering comprehensive
11 analysis of the cost of those changes; and (2) not adopt a package of
12 benefits and premiums that results in a projected unrestricted
13 reserve funding level lower than was projected under the assumptions
14 made prior to procurement. For this purpose, assumptions means
15 projections about the levels of future claims, costs, enrollment and
16 other factors, prior to any changes in benefits. The certificates of
17 coverage agreed to by the health care authority for calendar years
18 2018 and 2019 must ensure that no increases in coverage of
19 prescription drugs, services, or other benefits may occur prior to
20 approval by the public employees' benefits board at the time of
21 procurement of benefits for the ensuing calendar year. The public
22 employees' benefits board may, within the funds provided, adopt a
23 virtual diabetes prevention program and adjust the waiting period for
24 dental crown replacement in the Uniform dental program to align with
25 the dental managed care plans.

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

39 (f) The public employees' benefits board, in collaboration with
40 the authority, shall work to ensure that a single platform provider

1 credentialing system is implemented. The authority and the board
2 shall ensure that appropriate cost offsets and cost avoidance are
3 assumed for reduced staff time required for provider credentialing
4 activity and reductions in improper billing activity when
5 implementing provider credentialing systems. The board must enter
6 into an agreement with the authority to pay its share of the costs of
7 implementing and operating a new provider credentialing system.

8 (3) SCHOOL EMPLOYEES' BENEFITS BOARD

9 School Employees' Insurance Administrative

10 Account—State Appropriation. \$28,730,000

11 The appropriation in this subsection is subject to the following
12 conditions and limitations: \$28,730,000 of the school employees'
13 insurance administrative account—state appropriation is provided
14 solely for implementation of the school employees' benefits board
15 until the new board commences provision of benefits on January 1,
16 2020. It is the intent of the legislature that the state health care
17 authority administration account be reimbursed for the appropriation
18 to this account made in part VII of this act, with interest.

19 (4) HEALTH BENEFIT EXCHANGE

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

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

22 General Fund—Federal Appropriation. (~~(\$53,892,000)~~)

23 \$52,070,000

24 Health Benefit Exchange Account—State Appropriation. (~~(\$59,385,000)~~)

25 \$61,207,000

26 TOTAL APPROPRIATION. \$124,112,000

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

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

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

1 (ii) For the 2017-2019 biennium, for the purpose of annually
2 calculating issuer assessments, exchange operational costs may
3 include up to three months of additional operating costs.

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

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

16 (c) \$271,000 of the general fund—state appropriation for fiscal
17 year 2019 is provided solely for implementation of Engrossed Second
18 Substitute House Bill No. 2595 (automatic voter registration). (~~If~~
19 ~~the bill is not enacted by June 30, 2018, the amount provided in this~~
20 ~~subsection shall lapse.~~)

21 (d) \$196,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for implementation of Substitute Senate
23 Bill No. 5683 (Pacific Islander health care). (~~If the bill is not~~
24 ~~enacted by June 30, 2018, the amount provided in this subsection~~
25 ~~shall lapse.~~)

26 (5) COMMUNITY BEHAVIORAL HEALTH PROGRAM

27	General Fund—State Appropriation (FY 2019)	(\$542,049,000)
28		<u>\$550,044,000</u>
29	General Fund—Federal Appropriation	(\$919,359,000)
30		<u>\$941,704,000</u>
31	General Fund—Private/Local Appropriation	\$18,261,000
32	Criminal Justice Treatment Account—State Appropriation . .	\$6,490,000
33	Problem Gambling Account—State Appropriation	\$728,000
34	Dedicated Marijuana Account—State	
35	Appropriation (FY 2019)	\$28,486,000
36	Pension Funding Stabilization Account—State	
37	Appropriation	\$857,000
38	TOTAL APPROPRIATION	(\$1,516,230,000)
39		<u>\$1,546,570,000</u>

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

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

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

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

34 (d) \$1,760,000 of the general fund—federal appropriation is
35 provided solely for the authority to maintain a pilot project to put
36 peer bridging staff into each behavioral health organization as part
37 of the state psychiatric liaison teams to promote continuity of
38 service as individuals return to their communities.

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

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

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

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

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

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

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

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

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

14 (i) \$1,204,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided solely to reimburse Pierce and Spokane counties
16 for the cost of conducting one hundred eighty-day commitment hearings
17 at the state psychiatric hospitals.

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

30 (k) \$2,291,000 of the general fund—state appropriation for fiscal
31 year 2019 is provided solely for mental health services for mentally
32 ill offenders while confined in a county or city jail and for
33 facilitating access to programs that offer mental health services
34 upon release from confinement. The authority must collect information
35 from the behavioral health organizations on their plan for using
36 these funds, the numbers of individuals served, and the types of
37 services provided and submit a report to the office of financial
38 management and the appropriate fiscal committees of the legislature
39 by December 1st of each year of the biennium.

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

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

25 (n) \$3,079,000 of the general fund—state appropriation for fiscal
26 year 2019 and \$2,892,000 of the general fund—federal appropriation
27 are provided solely for the authority to increase rates for community
28 hospitals that provide a minimum of two hundred medicaid psychiatric
29 inpatient days. The authority must increase both medicaid and
30 nonmedicaid psychiatric per-diem reimbursement rates for these
31 providers within these amounts. The amounts in this subsection
32 include funding for additional hold harmless payments resulting from
33 the rate increase. The authority shall prioritize increases for
34 hospitals not currently paid based on provider specific costs using a
35 similar methodology used to set rates for existing inpatient
36 facilities and the latest available cost report information. Rate
37 increases for providers must be set so as not to exceed the amounts
38 provided within this subsection. The rate increase related to
39 nonmedicaid clients must be done to maintain the provider at the same
40 percentage as currently required under WAC 182-550-4800.

1 (o) \$100,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the authority to collaborate with
3 tribal governments and develop a plan for establishing an evaluation
4 and treatment facility that will specialize in providing care
5 specifically to the American Indian and Alaska Native population. The
6 plan must include options for maximizing federal participation and
7 ensure that utilization will be based on medical necessity and
8 identify a specific geographic location where a tribal evaluation and
9 treatment facility will be built.

10 (p) \$7,103,000 of the general fund—state appropriation for fiscal
11 year 2019 and \$8,052,000 of the general fund—federal appropriation
12 are provided solely for the authority to contract with community
13 hospitals or freestanding evaluation and treatment centers to provide
14 up to forty-eight long-term inpatient care beds as defined in RCW
15 71.24.025. The authority must seek proposals and contract directly
16 for these services rather than contracting through behavioral health
17 organizations. The authority must not use any of the amounts provided
18 under this subsection for contracts with facilities that are subject
19 to federal funding restrictions that apply to institutions of mental
20 diseases, unless they have received a waiver that allows for full
21 federal participation in these facilities.

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

34 (r) \$6,744,000 of the general fund—state appropriation for fiscal
35 year 2019 and \$14,516,000 of the general fund—federal appropriation
36 are provided solely for the authority to increase medicaid capitation
37 payments for behavioral health organizations. The authority must work
38 with the actuaries responsible for certifying behavioral health
39 capitation rates to adjust average salary assumptions in order to

1 implement this increase. In developing further updates for medicaid
2 managed care rates for behavioral health services, the authority must
3 require the contracted actuaries to: (i) Review and consider
4 comparison of salaries paid by government agencies and hospitals that
5 compete with community providers for behavioral health workers in
6 developing salary assumptions; and (ii) review data to see whether a
7 specific travel assumption for high congestion areas is warranted.
8 The authority must include and make available all applicable
9 documents and analysis to legislative staff from the fiscal
10 committees throughout the process. The authority must require the
11 actuaries to develop and submit rate ranges for each behavioral
12 health organization prior to certification of specific rates.

13 (s) The number of beds allocated for use by behavioral health
14 organizations at eastern state hospital shall be one hundred ninety
15 two per day. The number of nonforensic beds allocated for use by
16 behavioral health organizations at western state hospital shall be
17 five hundred fifty-seven per day. In fiscal year 2019, the authority
18 must reduce the number of beds allocated for use by behavioral health
19 organizations at western state hospital by thirty beds to allow for
20 the repurposing of a civil ward at western state hospital to provide
21 forensic services. The contracted beds provided under (p) of this
22 subsection shall be allocated to the behavioral health organizations
23 in lieu of beds at the state hospitals and be incorporated in their
24 allocation of state hospital patient days of care for the purposes of
25 calculating reimbursements pursuant to RCW 71.24.310. It is the
26 intent of the legislature to continue the policy of expanding
27 community based alternatives for long term civil commitment services
28 that allow for state hospital beds to be prioritized for forensic
29 patients.

30 (t) \$11,405,000 of the general fund—state appropriation for
31 fiscal year 2019 and \$8,840,000 of the general fund—federal
32 appropriation are provided solely to maintain enhancements of
33 community mental health services. The authority must contract these
34 funds for the operation of community programs in which the authority
35 determines there is a need for capacity that allows individuals to be
36 diverted or transitioned from the state hospitals including but not
37 limited to: (i) Community hospital or free standing evaluation and
38 treatment services providing short-term detention and commitment
39 services under the involuntary treatment act to be located in the
40 geographic areas of the King behavioral health organization, the

1 Spokane behavioral health organization outside of Spokane county, and
2 the Thurston Mason behavioral health organization; (ii) one new full
3 program of an assertive community treatment team in the King
4 behavioral health organization and two new half programs of assertive
5 community treatment teams in the Spokane behavioral health
6 organization and the Pierce behavioral health organization; and (iii)
7 three new recovery support services programs in the Great Rivers
8 behavioral health organization, the greater Columbia behavioral
9 health organization, and the north sound behavioral health
10 organization. In contracting for community evaluation and treatment
11 services, the authority may not use these resources in facilities
12 that meet the criteria to be classified under federal law as
13 institutions for mental diseases. If the authority is unable to come
14 to a contract agreement with a designated behavioral health
15 organization for any of the services identified above, it may
16 consider contracting for that service in another region that has the
17 need for such service.

18 (u) \$1,296,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for clubhouse programs. The authority
20 shall ensure that \$400,000 is used for the biennium for support of
21 the Spokane clubhouse program and the remaining funds must be used
22 for support of new clubhouse programs. The authority must develop
23 options and cost estimates for implementation of clubhouse programs
24 statewide through a medicaid state plan amendment or a medicaid
25 waiver and submit a report to the office of financial management and
26 the appropriate committees of the legislature by December 1, 2018.

27 (v) \$213,000 of the general fund—state appropriation for fiscal
28 year 2019 is provided solely to fund one pilot project in Pierce
29 county and one in Yakima county to promote increased utilization of
30 assisted outpatient treatment programs. The authority shall require
31 two behavioral health organizations to contract with local government
32 to establish the necessary infrastructure for the programs. The
33 authority shall provide a report by October 15, 2018, to the office
34 of financial management and the appropriate fiscal and policy
35 committees of the legislature to include the number of individuals
36 served, outcomes to include reduced use of inpatient treatment and
37 state hospital stays, and recommendations for further implementation
38 based on lessons learned and best practices identified by the pilot
39 projects.

1 (w) \$3,278,000 of the dedicated marijuana account—state
2 appropriation for fiscal year 2019 is provided solely for a
3 memorandum of understanding with the department of social and health
4 services juvenile rehabilitation administration to provide substance
5 abuse treatment programs for juvenile offenders. Of the amounts
6 provided in this subsection (5)(w):

7 (i) \$1,130,000 of the dedicated marijuana account—state
8 appropriation for fiscal year 2019 is provided solely for alcohol and
9 substance abuse treatment programs for locally committed offenders.
10 The juvenile rehabilitation administration shall award these funds as
11 described in section 203(4) of this act.

12 (ii) \$282,000 of the dedicated marijuana account—state
13 appropriation for fiscal year 2019 is provided solely for the
14 expansion of evidence-based treatments and therapies as described in
15 section 203(2) of this act.

16 (x) During fiscal year 2019, any amounts provided in this section
17 that are used for case management services for pregnant and parenting
18 women must be contracted directly between the authority and providers
19 rather than through contracts with behavioral health organizations.

20 (y) Within the amounts appropriated in this section, the
21 authority 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 authority by request; and (ii) indirect charges for
27 administering the program must not exceed ten percent of the total
28 contract amount.

29 (z) \$1,750,000 of the general fund—federal appropriation (from
30 the substance abuse prevention and treatment federal block grant) is
31 provided solely for the continued funding of existing county drug and
32 alcohol use prevention programs.

33 (aa) \$200,000 of the dedicated marijuana account—state
34 appropriation for fiscal year 2019 is provided solely for a contract
35 with the Washington state institute for public policy to conduct
36 cost-benefit evaluations of the implementation of chapter 3, Laws of
37 2013 (Initiative Measure No. 502).

38 (bb) \$500,000 of the dedicated marijuana account—state
39 appropriation for fiscal year 2019 is provided solely to design and

1 administer the Washington state healthy youth survey and the
2 Washington state young adult behavioral health survey.

3 (cc) \$396,000 of the dedicated marijuana account—state
4 appropriation for fiscal year 2019 is provided solely for maintaining
5 increased services to pregnant and parenting women provided through
6 the parent child assistance program.

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

12 (ee) \$386,000 of the dedicated marijuana account—state
13 appropriation for fiscal year 2019 is provided solely to maintain
14 increased prevention and treatment services provided by tribes and
15 federally recognized American Indian organizations to children and
16 youth.

17 (ff) \$2,684,000 of the dedicated marijuana account—state
18 appropriation for fiscal year 2019 and \$950,000 of the general fund—
19 federal appropriation are provided solely to maintain increased
20 residential treatment services for children and youth.

21 (gg) \$250,000 of the dedicated marijuana account—state
22 appropriation for fiscal year 2019 is provided solely for training
23 and technical assistance for the implementation of evidence based,
24 research based, and promising programs which prevent or reduce
25 substance use disorders.

26 (hh) \$2,434,000 of the dedicated marijuana account—state
27 appropriation for fiscal year 2019 is provided solely for expenditure
28 into the home visiting services account.

29 (ii) \$2,500,000 of the dedicated marijuana account—state
30 appropriation for fiscal year 2019 is provided solely for grants to
31 community-based programs that provide prevention services or
32 activities to youth, including programs for school-based resource
33 officers. These funds must be utilized in accordance with RCW
34 69.50.540.

35 (jj) Within the amounts provided in this section, behavioral
36 health organizations must provide outpatient chemical dependency
37 treatment for offenders enrolled in the medicaid program who are
38 supervised by the department of corrections pursuant to a term of
39 community supervision. Contracts with behavioral health organizations

1 must require that behavioral health organizations include in their
2 provider network specialized expertise in the provision of
3 manualized, evidence-based chemical dependency treatment services for
4 offenders. The department of corrections and the authority must
5 develop a memorandum of understanding for department of corrections
6 offenders on active supervision who are medicaid eligible and meet
7 medical necessity for outpatient substance use disorder treatment.
8 The agreement will ensure that treatment services provided are
9 coordinated, do not result in duplication of services, and maintain
10 access and quality of care for the individuals being served. The
11 authority must provide all necessary data, access, and reports to the
12 department of corrections for all department of corrections offenders
13 that receive medicaid paid services.

14 (kk) \$562,000 of the general fund—federal appropriation is
15 provided solely for the authority to develop a memorandum of
16 understanding with the department of health for implementation of
17 chapter 297, Laws of 2017 (ESHB 1427) (opioid treatment programs).
18 The authority must use these amounts to reimburse the department of
19 health for costs incurred through the implementation of the bill.

20 (ll) \$2,580,000 of the general fund—state appropriation for
21 fiscal year 2019 and \$2,320,000 of the general fund—federal
22 appropriation are provided solely for the development and operation
23 of two secure detoxification facilities. The authority must not use
24 any of these amounts for services in facilities that are subject to
25 federal funding restrictions that apply to institutions for mental
26 diseases, unless they have received a waiver that allows for full
27 federal participation in these facilities.

28 (mm) \$100,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely for parenting education services focused
30 on pregnant and parenting women.

31 (nn) Within existing appropriations, the authority shall
32 prioritize the prevention and treatment of intravenous opiate-based
33 drug use.

34 (oo) The criminal justice treatment account—state appropriation
35 is provided solely for treatment and treatment support services for
36 offenders with a substance use disorder pursuant to RCW 71.24.580.
37 The authority must offer counties the option to administer their
38 share of the distributions provided for under RCW 71.24.580(5)(a). If
39 a county is not interested in administering the funds, the authority

1 shall contract with a behavioral health organization or
2 administrative services organization to administer these funds
3 consistent with the plans approved by local panels pursuant to RCW
4 71.24.580(5)(b). The authority must provide a report to the office of
5 financial management and the appropriate committees of the
6 legislature which identifies the distribution of criminal justice
7 treatment account funds by September 30, 2018.

8 (pp) \$23,090,000 of the general fund—state appropriation for
9 fiscal year 2019 and \$46,222,000 of the general fund—federal
10 appropriation are provided solely for the enhancement of community-
11 based behavioral health services. This funding must be allocated to
12 behavioral health organizations proportionate to their regional
13 population. In order to receive these funds, each region must submit
14 a plan to address the following issues: (i) Reduction in their use of
15 long-term commitment beds through community alternatives; (ii)
16 compliance with RCW 71.05.365 requirements for transition of state
17 hospital patients into community settings within fourteen days of the
18 determination that they no longer require active psychiatric
19 treatment at an inpatient level of care; (iii) improvement of staff
20 recruitment and retention in community behavioral health facilities;
21 (iv) diversion of individuals with behavioral health issues from the
22 criminal justice system; and (v) efforts to improve recovery oriented
23 services, including, but not limited to, expansion of clubhouse
24 models. The plans are not limited to the amounts in this subsection
25 and may factor in all resources available for behavioral health. The
26 authority must identify metrics for tracking progress in each of the
27 areas identified. The authority must collect information on the
28 metrics and outcomes and submit a report summarizing the findings to
29 the office of financial management and the appropriate committees of
30 the legislature by June 30, 2020. Twenty percent of the general fund—
31 state appropriation amounts for each behavioral health organization
32 must be used to increase their nonmedicaid funding and the remainder
33 must be used to increase medicaid rates up to but not exceeding the
34 top of each behavioral health organizations medicaid rate range.

35 (qq) \$11,023,000 of the general fund—state appropriation for
36 fiscal year 2019 is provided solely to assist behavioral health
37 organizations with the costs of providing services to medicaid
38 clients receiving services in psychiatric facilities classified as
39 institutions of mental diseases. The authority must distribute these

1 amounts proportionate to the number of bed days for medicaid clients
2 in institutions for mental diseases that were excluded from
3 behavioral health organization fiscal year 2019 capitation rates
4 because they exceeded the amounts allowed under federal regulations.
5 The authority must also use these amounts to directly pay for costs
6 that are ineligible for medicaid reimbursement in institutions of
7 mental disease facilities for American Indian and Alaska Natives who
8 opt to receive behavioral health services on a fee-for-service basis.
9 The amounts used for these individuals must be reduced from the
10 allocation of the behavioral health organization where the individual
11 resides. If a behavioral health organization receives more funding
12 through this subsection than is needed to pay for the cost of their
13 medicaid clients in institutions for mental diseases, they must use
14 the remainder of the amounts to provide other services not covered
15 under the medicaid program. The authority must explore options for
16 continuing to expand waivers which allow for federal matching funds
17 to be used in these facilities. The authority must submit a report on
18 the status of the waiver to the office of financial management and
19 the appropriate committees of the legislature by December 1, 2018.

20 (rr) \$14,500,000 of the general fund—state appropriation for
21 fiscal year 2019 is provided solely to ensure a smooth transition to
22 integrated managed care for behavioral health regions and to maintain
23 the existing level of regional behavioral health crisis and diversion
24 programs, and other required behavioral health administrative service
25 organization services. These amounts must be used to support the
26 regions transitioning to become mid-adopters for full integration of
27 physical and behavioral health care. These amounts must be
28 distributed proportionate to the population of each regional area
29 covered. The maximum amount allowed per region is \$3,175 per 1,000
30 residents. These amounts must be used to provide a reserve for
31 nonmedicaid services in the region and to stabilize the new crisis
32 services system. The authority must require all behavioral health
33 organizations transitioning to full integration to either spend down
34 or return all reserves in accordance with contract requirements and
35 federal and state law. Behavioral health organization reserves may
36 not be used to pay for services to be provided beyond the end of a
37 behavioral health organization's contract or for start-up costs in
38 full integration regions. The authority must ensure that any
39 increases in expenditures in behavioral health reserve spend-down

1 plans are required for the operation of services during the contract
2 period and do not result in overpayment to providers.

3 (ss) \$806,000 of the general fund—federal appropriation is
4 provided solely for the authority to develop a peer support program
5 for individuals with substance use disorders. These amounts must be
6 used for development of training and certification of peers
7 specialists. The authority must submit a state plan amendment which
8 provides for these services to be included in behavioral health
9 capitation rates beginning in fiscal year 2020 and allows for federal
10 matching funds to be leveraged for these services.

11 (tt) \$200,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for the authority, in collaboration with
13 the department of social and health services, to further develop
14 efforts to shift funding and risk for most civil long-term inpatient
15 commitments into fully integrated care contracts beginning in January
16 2020. The funding and risk for patients at the state hospitals who
17 have been committed pursuant to dismissal of felony charges after
18 being determined incompetent to stand trial shall not be incorporated
19 into integrated care contracts.

20 (i) By December 1, 2018, the authority, in coordination with the
21 department of social and health services, must submit a report to the
22 office of financial management and the appropriate committees of the
23 legislature on the following: (A) Actuarial estimates on the impact
24 to per member per month payments and estimated annual state and
25 federal costs for medicaid managed care organizations with fully
26 integrated contracts; (B) actuarial estimates on the estimated annual
27 costs for administrative services organizations; (C) estimates of the
28 per-diem cost at the state hospitals that will be charged to entities
29 with responsibility for paying for long-term civil inpatient
30 commitments once these are incorporated into fully integrated care
31 contracts; and (D) estimates of the amount of funding that can be
32 reduced from direct appropriations for the state hospitals to reflect
33 the shift in financial responsibility.

34 (ii) The authority must also explore and report on options for
35 fully leveraging the state's share of federal medicaid
36 disproportionate share funding allowed for institutions of mental
37 diseases, including but not limited to: (A) Prioritizing the use of
38 this funding for forensic patients and those civilly committed
39 pursuant to dismissal of a felony charge; (B) obtaining an

1 institution for mental diseases—disproportionate share hospital
2 waiver to allow for regular medicaid federal financial participation
3 to be used at the state hospitals; and (C) shifting some of the
4 state's current disproportionate share funding used at the state
5 hospitals to community-based institutions for mental diseases to
6 reduce the state cost of patients for whom regular federal medicaid
7 match is not allowed.

8 (uu) \$2,732,000 of the general fund—state appropriation for
9 fiscal year 2019 and \$9,026,000 of the general fund—federal
10 appropriation are provided solely for the authority to implement
11 strategies to improve access to prevention and treatment of opioid
12 use disorders. The authority may use these funds for the following
13 activities: (i) Expansion of hub and spoke treatment networks; (ii)
14 expansion of pregnant and parenting case management programs; (iii)
15 grants to tribes to prevent opioid use and expand treatment for
16 opioid use disorders; (iv) development and implementation of a tool
17 to track medication assisted treatment provider capacity; (v) support
18 of drug take-back programs which allow individuals to return unused
19 opioids and other drugs for safe disposal; (vi) purchase and
20 distribution of opioid reversal medication; and (vii) maintaining
21 support for youth prevention services. The authority must coordinate
22 these activities with the department of health to avoid duplication
23 of effort and must work to identify additional federal resources that
24 can be used to maintain and expand these efforts. The authority must
25 submit a report to the office of financial management and the
26 appropriate committees of the legislature on the status of these
27 efforts by December 1, 2018. The report must include identification
28 of any increase in behavioral health federal block grants or other
29 federal funding awards received by the authority and the plan for the
30 use of these funds.

31 (vv) \$150,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for the authority to contract with
33 actuaries to develop estimates for the cost of implementing new
34 behavioral health service types in the medicaid state plan. The
35 authority must coordinate with behavioral health organizations to
36 identify: (i) Eligible behavioral health service types that are
37 currently provided to medicaid enrollees without federal funding and
38 are dependent on state, local, or other funds; and (ii) eligible
39 behavioral health service types that are not currently available to

1 medicaid enrollees due to the lack of federal funding. The authority
2 must contract with the actuaries responsible for certifying state
3 behavioral health capitation rates to develop estimates for the cost
4 of implementing each of these services. The estimates must identify
5 the cost of implementing each service statewide, the estimated state
6 and federal medicaid cost, and any estimated offset in state non-
7 medicaid spending. The authority must submit a report to the office
8 of financial management and the appropriate committees of the
9 legislature identifying the services and costs estimates by November
10 1, 2018.

11 (wv) \$446,000 of the general fund—state appropriation for fiscal
12 year 2019 and \$89,000 of the general fund—federal appropriation are
13 provided solely for the University of Washington's evidence-based
14 practice institute which supports the identification, evaluation, and
15 implementation of evidence-based or promising practices. The
16 institute must work with the authority to develop a plan to seek
17 private, federal, or other grant funding in order to reduce the need
18 for state general funds. The authority must collect information from
19 the institute on the use of these funds and submit a report to the
20 office of financial management and the appropriate fiscal committees
21 of the legislature by December 1st of each year of the biennium.

22 (xx) No more than \$13,098,000 of the general fund—federal
23 appropriation may be expended for supported housing and employment
24 services described in initiative 3a and 3b of the medicaid
25 transformation demonstration waiver under healthier Washington. Under
26 this initiative, the department and the health care authority shall
27 ensure that allowable and necessary services are provided to eligible
28 clients as identified by the department or its providers or third
29 party administrator. The department and the authority in consultation
30 with the medicaid forecast work group, shall ensure that reasonable
31 reimbursements are established for services deemed necessary within
32 an identified limit per individual. The department shall not increase
33 general fund—state expenditures under this initiative. The secretary
34 in collaboration with the director of the authority shall report to
35 the joint select committee on health care oversight no less than
36 quarterly on financial and health outcomes. The secretary in
37 cooperation with the director shall also report to the fiscal
38 committees of the legislature all of the expenditures of this

1 subsection and shall provide such fiscal data in the time, manner,
2 and form requested by the legislative fiscal committees.

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

9 (zz) \$727,000 of the general fund—state appropriation for fiscal
10 year 2019 and \$1,005,000 of the general fund—federal appropriation
11 are provided solely to implement Engrossed Substitute Senate Bill No.
12 6491 (outpatient behavioral health). (~~If the bill is not enacted by~~
13 ~~June 30, 2018, the amounts provided in this subsection shall lapse.~~)

14 **Sec. 212.** 2018 c 299 s 215 (uncodified) is amended to read as
15 follows:

16 **FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

17	Worker and Community Right-to-Know Account—State	
18	Appropriation	\$10,000
19	Accident Account—State Appropriation	(\$22,565,000)
20		<u>\$22,772,000</u>
21	Medical Aid Account—State Appropriation	(\$22,566,000)
22		<u>\$22,774,000</u>
23	TOTAL APPROPRIATION.	(\$45,141,000)
24		<u>\$45,556,000</u>

25 The appropriations in this section are subject to the following
26 conditions and limitations: \$145,000 of the accident account—state
27 appropriation for fiscal year 2019 and \$145,000 of the medical aid
28 account—state for fiscal year 2019 are provided solely for
29 implementation of Substitute House Bill No. 1723 (Hanford
30 occupational disease). (~~If the bill is not enacted by June 30, 2018,~~
31 ~~the amounts provided in this subsection shall lapse.~~)

32 **Sec. 213.** 2018 c 299 s 216 (uncodified) is amended to read as
33 follows:

34 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

35	General Fund—State Appropriation (FY 2018)	\$21,668,000
36	General Fund—State Appropriation (FY 2019)	\$23,139,000
37	General Fund—Private/Local Appropriation	\$6,673,000

1	Death Investigations Account—State Appropriation	\$148,000
2	Municipal Criminal Justice Assistance Account—State	
3	Appropriation	\$460,000
4	Pension Funding Stabilization Account—State	
5	Appropriation.	\$460,000
6	Washington Auto Theft Prevention Authority Account—State	
7	Appropriation	\$8,167,000
8	24/7 Sobriety Account—State Appropriation	(\$20,000)
9		<u>\$18,000</u>
10	TOTAL APPROPRIATION.	(\$60,735,000)
11		<u>\$60,733,000</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 \$1,546,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for seventy-five percent of the
24 costs of providing six additional statewide basic law enforcement
25 trainings in fiscal year 2018, and seven additional statewide basic
26 law enforcement trainings in fiscal year 2019. The criminal justice
27 training commission must schedule its funded classes to minimize wait
28 times throughout each fiscal year and meet statutory wait time
29 requirements.

30 (3) \$792,000 of the general fund—local appropriation is provided
31 solely to purchase ammunition for the basic law enforcement academy.
32 Jurisdictions shall reimburse to the criminal justice training
33 commission the costs of ammunition, based on the average cost of
34 ammunition per cadet, for cadets that they enroll in the basic law
35 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 \$1,260,000 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. Of the amounts appropriated in
30 this subsection, \$907,000 of the general fund—state appropriation for
31 fiscal year 2019 is provided solely for the training in (a) of this
32 subsection.

33 (16) \$100,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$100,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely to the Washington association of
36 sheriffs and police chiefs to fund pilot projects in Benton county to
37 support local law enforcement education for law enforcement, medical
38 professionals, first responders, courts, educators, and others to
39 raise awareness and identifying warning signs of human trafficking.

1 Any educational opportunities created through the pilot projects in
2 Benton county may provide access for adjacent counties if resources
3 and availability permits.

4 (17) \$500,000 of the general fund—state appropriation for fiscal
5 year 2018 is provided solely to the Washington association of
6 sheriffs and police chiefs to administer statewide training in the
7 use of the Washington state gang database, established in compliance
8 with RCW 43.43.762, and provide grant funding to ensure agencies
9 enter appropriate and reliable data into the database. The training
10 shall develop professionals with regional responsibilities for
11 database administration throughout the state.

12 (18) \$1,000,000 of the general fund—state appropriation for
13 fiscal year 2019 is provided solely for providing grants for the
14 mental health field response team grant program established in House
15 Bill No. 2892 (mental health field response). If the bill is not
16 enacted by June 30, 2018, the amount provided in this subsection
17 shall lapse.

18 (19) \$176,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for the implementation of Substitute
20 House Bill No. 1022 (crime victim participation). If the bill is not
21 enacted by June 30, 2018, the amount provided in this subsection
22 shall lapse.

23 (20) \$50,000 of the general fund—state appropriation for fiscal
24 year 2019 is provided solely for the Washington association of
25 sheriffs and police chiefs to convene a work group to develop
26 strategies for identification and intervention against potential
27 perpetrators of mass shootings, with an emphasis on school safety,
28 and report on recommendations for their prevention.

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

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

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

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

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

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

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

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

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

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

20 **Sec. 214.** 2018 c 299 s 217 (uncodified) is amended to read as
21 follows:

22 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

23	General Fund—State Appropriation (FY 2018)	\$6,513,000
24	General Fund—State Appropriation (FY 2019)	\$9,285,000
25	General Fund—Federal Appropriation	\$11,876,000
26	Asbestos Account—State Appropriation	\$526,000
27	Electrical License Account—State Appropriation	\$53,776,000
28	Farm Labor Contractor Account—State Appropriation	\$28,000
29	Worker and Community Right-to-Know Account—State	
30	Appropriation	\$991,000
31	Public Works Administration Account—State	
32	Appropriation	\$9,849,000
33	Manufactured Home Installation Training	
34	Account—State Appropriation	\$377,000
35	Accident Account—State Appropriation	(\$320,925,000)
36		<u>\$321,936,000</u>
37	Accident Account—Federal Appropriation	(\$16,765,000)
38		<u>\$19,839,000</u>

1	Medical Aid Account—State Appropriation	((\$334,083,000))
2		<u>\$334,453,000</u>
3	Medical Aid Account—Federal Appropriation	((\$3,739,000))
4		<u>\$4,182,000</u>
5	Plumbing Certificate Account—State Appropriation	\$1,880,000
6	Pressure Systems Safety Account—State Appropriation	\$4,433,000
7	Construction Registration Inspection Account—State	
8	Appropriation.	\$20,945,000
9	Pension Funding Stabilization Account—State	
10	Appropriation.	\$1,435,000
11	TOTAL APPROPRIATION.	((\$797,426,000))
12		<u>\$802,324,000</u>

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

15 (1) \$123,000 of the accident account—state appropriation and
16 \$22,000 of the medical aid—state appropriation are provided solely
17 for implementation of chapter 150, Laws of 2017 (House Bill No. 1906)
18 (farm internship).

19 (2) The department, in collaboration with the health care
20 authority, shall work to ensure that a single platform provider
21 credentialing system is implemented. The authority and department
22 shall ensure that appropriate cost offsets and cost avoidance are
23 assumed for reduced staff time required for provider credentialing
24 activity and reductions in improper billing activity when
25 implementing provider credentialing systems. The department must
26 enter into an agreement with the health care authority to pay its
27 share of the costs of implementing and operating a new provider
28 credentialing system.

29 (3) \$5,802,000 of the accident account—state appropriation and
30 \$5,676,000 of the medical aid account—state appropriation are
31 provided solely for business transformation projects and are subject
32 to the conditions, limitations, and review provided in section 724 of
33 this act.

34 (4) \$19,128,000 of the construction registration inspection
35 account—state appropriation is provided solely to implement House
36 Bill No. 1716 (construction inspection account). (~~If the bill is not~~
37 ~~enacted by July 31, 2017, the amounts provided in this subsection~~
38 ~~shall lapse.))~~

1 (5) \$2,000,000 of the accident account—state appropriation and
2 \$2,000,000 of the medical account—state appropriation are provided
3 solely for a contract with a workforce institute to provide
4 supplemental instruction for information technology apprentices.
5 Funds spent for this purpose must be matched by an equal amount of
6 funding from the information technology industry members, except
7 small and mid-sized employers. Up to \$2,000,000 may be spent to
8 provide supplemental instruction for apprentices at small and mid-
9 sized businesses. "Small and mid-sized employers" means those that
10 have fewer than one hundred employees or have less than five percent
11 net profitability.

12 (6) \$250,000 of the medical aid account—state appropriation and
13 \$250,000 of the accident account—state appropriation are provided
14 solely for the department of labor and industries safety and health
15 assessment and research for prevention program to conduct research to
16 address the high injury rates of the janitorial workforce. The
17 research must quantify the physical demands of common janitorial work
18 tasks and assess the safety and health needs of janitorial workers.
19 The research must also identify potential risk factors associated
20 with increased risk of injury in the janitorial workforce and measure
21 workload based on the strain janitorial work tasks place on janitors'
22 bodies. The department must conduct interviews with janitors and
23 their employers to collect information on risk factors, identify the
24 tools, technologies, and methodologies used to complete work, and
25 understand the safety culture and climate of the industry. The
26 department must issue an initial report to the legislature, by June
27 30, 2020, assessing the physical capacity of workers in the context
28 of the industry's economic environment and ascertain usable support
29 tools for employers and workers to decrease risk of injury. After the
30 initial report, the department must produce annual progress reports,
31 beginning in 2021 through the year 2022 or until the tools are fully
32 developed and deployed. The annual progress reports must be submitted
33 to the legislature by December 1st of each year such reports are due.

34 (7) \$1,272,000 of the public works administration account—state
35 appropriation is provided solely to implement Engrossed Second
36 Substitute House Bill No. 1673 (responsible bidder criteria). (~~If~~
37 ~~the bill is not enacted by June 30, 2018, the amount provided in this~~
38 ~~subsection shall lapse.~~)

1 (8) \$185,000 of the accident account—state appropriation and
2 \$185,000 of the medical aid account—state appropriation are provided
3 solely to implement Substitute House Bill No. 1723 (Hanford/
4 occupational disease). (~~If the bill is not enacted by June 30, 2018,~~
5 ~~the amounts provided in this subsection shall lapse.~~)

6 (9) \$422,000 of the medical aid account—state appropriation is
7 provided solely to implement Second Substitute Senate Bill No. 6245
8 (spoken language interpreters). (~~If the bill is not enacted by June~~
9 ~~30, 2018, the amount provided in this subsection shall lapse.~~)

10 (10) \$51,000 of the medial aid account—state appropriation and
11 \$50,000 of the accident account—state appropriation are provided
12 solely for the implementation of Substitute House Bill No. 1022
13 (crime victim participation). (~~If the bill is not enacted by June~~
14 ~~30, 2018, the amounts provided in this subsection shall lapse.~~)

15 **Sec. 215.** 2018 c 299 s 218 (uncodified) is amended to read as
16 follows:

17 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

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

20 (a) The department of veterans affairs shall not initiate any
21 services that will require expenditure of state general fund moneys
22 unless expressly authorized in this act or other law. The department
23 may seek, receive, and spend, under RCW 43.79.260 through 43.79.282,
24 federal moneys not anticipated in this act as long as the federal
25 funding does not require expenditure of state moneys for the program
26 in excess of amounts anticipated in this act. If the department
27 receives unanticipated unrestricted federal moneys, those moneys must
28 be spent for services authorized in this act or in any other
29 legislation that provides appropriation authority, and an equal
30 amount of appropriated state moneys shall lapse. Upon the lapsing of
31 any moneys under this subsection, the office of financial management
32 shall notify the legislative fiscal committees. As used in this
33 subsection, "unrestricted federal moneys" includes block grants and
34 other funds that federal law does not require to be spent on
35 specifically defined projects or matched on a formula basis by state
36 funds.

37 (b) Each year, there is fluctuation in the revenue collected to
38 support the operation of the state veteran homes. When the department

1 has foreknowledge that revenue will decrease, such as from a loss of
2 census or from the elimination of a program, the legislature expects
3 the department to make reasonable efforts to reduce expenditures in a
4 commensurate manner and to demonstrate that it has made such efforts.
5 In response to any request by the department for general fund—state
6 appropriation to backfill a loss of revenue, the legislature shall
7 consider the department's efforts in reducing its expenditures in
8 light of known or anticipated decreases to revenues.

9 (2) HEADQUARTERS

10	General Fund—State Appropriation (FY 2018)	\$1,913,000
11	General Fund—State Appropriation (FY 2019)	\$1,907,000
12	Charitable, Educational, Penal, and Reformatory	
13	Institutions Account—State Appropriation	\$10,000
14	Pension Funding Stabilization Account—State	
15	Appropriation.	\$185,000
16	TOTAL APPROPRIATION.	\$4,015,000

17 The appropriations in this subsection are subject to the
18 following conditions and limitations: \$85,000 of the general fund—
19 state appropriation for fiscal year 2018 and \$84,000 of the general
20 fund—state appropriation for fiscal year 2019 are provided solely for
21 the implementation of chapter 173, Laws of 2017 (ESSB 1802)
22 (veterans' shared leave pool).

23 (3) FIELD SERVICES

24	General Fund—State Appropriation (FY 2018)	\$6,077,000
25	General Fund—State Appropriation (FY 2019)	(\$6,126,000)
26		<u>\$6,329,000</u>
27	General Fund—Federal Appropriation	\$3,747,000
28	General Fund—Private/Local Appropriation	\$4,794,000
29	Veteran Estate Management Account—Private/Local	
30	Appropriation	\$664,000
31	Pension Funding Stabilization Account—State	
32	Appropriation.	\$443,000
33	TOTAL APPROPRIATION.	(\$21,851,000)
34		<u>\$22,054,000</u>

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

37 (a) \$300,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$300,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely to provide crisis and emergency
2 relief and education, training, and employment assistance to veterans
3 and their families in their communities through the veterans
4 innovation program.

5 (b) \$200,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$200,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely for the implementation of
8 chapter 192, Laws of 2017 (SB 5849) (veterans' services).

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

13 (4) INSTITUTIONAL SERVICES

14	General Fund—State Appropriation (FY 2018)	. . . . .	\$11,925,000
15	General Fund—State Appropriation (FY 2019)	. . . . .	(\$5,831,000)
16			<u>\$16,381,000</u>
17	General Fund—Federal Appropriation	. . . . .	\$84,027,000
18	General Fund—Private/Local Appropriation	. . . . .	\$27,983,000
19	Pension Funding Stabilization Account—State		
20	Appropriation	. . . . .	\$1,462,000
21	TOTAL APPROPRIATION	. . . . .	(\$131,228,000)
22			<u>\$141,778,000</u>

23 **Sec. 216.** 2018 c 299 s 219 (uncodified) is amended to read as
24 follows:

25 **FOR THE DEPARTMENT OF HEALTH**

26	General Fund—State Appropriation (FY 2018)	. . . . .	\$70,667,000
27	General Fund—State Appropriation (FY 2019)	. . . . .	(\$78,618,000)
28			<u>\$79,179,000</u>
29	General Fund—Federal Appropriation	. . . . .	(\$550,114,000)
30			<u>\$550,153,000</u>
31	General Fund—Private/Local Appropriation	. . . . .	(\$186,257,000)
32			<u>\$186,530,000</u>
33	Hospital Data Collection Account—State Appropriation	. . . . .	(\$347,000)
34			<u>\$366,000</u>
35	Health Professions Account—State Appropriation	. . . . .	(\$132,578,000)
36			<u>\$134,580,000</u>
37	Aquatic Lands Enhancement Account—State Appropriation	. . . . .	\$623,000
38	Emergency Medical Services and Trauma Care Systems		

1	Trust Account—State Appropriation	\$9,872,000
2	Safe Drinking Water Account—State Appropriation	\$5,667,000
3	Drinking Water Assistance Account—Federal	
4	Appropriation	\$15,990,000
5	Waterworks Operator Certification—State Appropriation	\$1,836,000
6	Drinking Water Assistance Administrative Account—State	
7	Appropriation	\$371,000
8	Site Closure Account—State Appropriation	\$168,000
9	Biotoxin Account—State Appropriation	(\$1,968,000)
10		<u>\$1,768,000</u>
11	State Toxics Control Account—State Appropriation	\$4,249,000
12	Medicaid Fraud Penalty Account—State Appropriation	\$1,098,000
13	Medical Test Site Licensure Account—State	
14	Appropriation	\$2,591,000
15	Youth Tobacco and Vapor Products Prevention Account—State	
16	Appropriation	\$3,363,000
17	Dedicated Marijuana Account—State Appropriation	
18	(FY 2018).	\$9,761,000
19	Dedicated Marijuana Account—State Appropriation	
20	(FY 2019).	\$9,764,000
21	Public Health Supplemental Account—Private/Local	
22	Appropriation	(\$3,248,000)
23		<u>\$4,248,000</u>
24	Pension Funding Stabilization Account—State	
25	Appropriation.	\$3,821,000
26	Accident Account—State Appropriation	\$343,000
27	Medical Aid Account—State Appropriation	\$53,000
28	Suicide-Safer Homes Project Account—State Appropriation.	\$50,000
29	TOTAL APPROPRIATION.	(\$1,093,417,000)
30		<u>\$1,097,111,000</u>

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

33 (1) The department of health shall not initiate any services that
34 will require expenditure of state general fund moneys unless
35 expressly authorized in this act or other law. The department of
36 health and the state board of health shall not implement any new or
37 amended rules pertaining to primary and secondary school facilities
38 until the rules and a final cost estimate have been presented to the

1 legislature, and the legislature has formally funded implementation
2 of the rules through the omnibus appropriations act or by statute.
3 The department may seek, receive, and spend, under RCW 43.79.260
4 through 43.79.282, federal moneys not anticipated in this act as long
5 as the federal funding does not require expenditure of state moneys
6 for the program in excess of amounts anticipated in this act. If the
7 department receives unanticipated unrestricted federal moneys, those
8 moneys shall be spent for services authorized in this act or in any
9 other legislation that provides appropriation authority, and an equal
10 amount of appropriated state moneys shall lapse. Upon the lapsing of
11 any moneys under this subsection, the office of financial management
12 shall notify the legislative fiscal committees. As used in this
13 subsection, "unrestricted federal moneys" includes block grants and
14 other funds that federal law does not require to be spent on
15 specifically defined projects or matched on a formula basis by state
16 funds.

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

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

35 (4) (a) \$5,000,000 of the general fund—state appropriation for
36 fiscal year 2018 and \$5,000,000 of the general fund—state
37 appropriation for fiscal year 2019 are provided solely for the
38 department to support the local health jurisdictions to improve their
39 ability to address (i) communicable disease monitoring and prevention
40 and (ii) chronic disease and injury prevention. The department and

1 representatives of local health jurisdictions must work together to
2 arrive at a mutually acceptable allocation and distribution of funds
3 and to determine the best accountability measures to ensure efficient
4 and effective use of funds, emphasizing the use of shared services.

5 (b) By December 31, 2017, the department shall provide a
6 preliminary report, and by November 30, 2018, a final report, to the
7 appropriate committees of the legislature regarding:

8 (i) The allocation of funding, as provided in this subsection, to
9 the local health jurisdictions;

10 (ii) Steps taken by the local health jurisdictions that received
11 funding to improve communicable disease monitoring and prevention and
12 chronic disease and injury prevention;

13 (iii) An assessment of the effectiveness of the steps taken by
14 local health jurisdictions and the criteria measured; and

15 (iv) Any recommendations for future models for service delivery
16 to address communicable and chronic diseases.

17 (5) (a) \$1,000,000 of the general fund—state appropriation for
18 fiscal year 2018 and \$1,000,000 of the general fund—state
19 appropriation for fiscal year 2019 are provided solely for the
20 department, as part of foundational public health services, to
21 implement strategies to control the spread of communicable diseases
22 and other health threats. These strategies may include updating or
23 replacing equipment in the state public health laboratory; addressing
24 health inequities among state residents; reporting on the root cause
25 analyses of adverse events at medical facilities; performing critical
26 activities to prevent adverse health consequences of hepatitis C; or
27 assessing information technology system consolidation and
28 modernization opportunities for statewide public health data systems.

29 (b) By November 30, 2018, the department shall develop a
30 statewide governmental public health improvement plan and provide it
31 to the appropriate committees of the legislature.

32 (6) \$26,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$10,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for the implementation of
35 chapter 295, Laws of 2017 (SHB 1258) (first responders/disability).

36 (7) Within amounts appropriated in this section, funding is
37 provided to implement chapter 312, Laws of 2017 (SSB 5046) (language
38 of public notices).

1 (8) \$39,000 of the general fund—local appropriation is provided
2 solely for the implementation of chapter 249, Laws of 2017 (ESHB
3 1714) (nurse staffing plans).

4 (9) \$27,000 of the health professions account—state appropriation
5 and \$50,000 of the Suicide-Safer Homes Project account are provided
6 solely for the implementation of chapter 262, Laws of 2017 (E2SHB
7 1612) (reducing access to lethal means).

8 (10) \$269,000 of the health professions account—state
9 appropriation is provided solely for the implementation of chapter
10 297, Laws of 2017 (ESHB 1427) (opioid treatment program).

11 (11) \$350,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$350,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided to the department solely to cover costs
14 of providing increased capacity under existing contracts with suicide
15 prevention lines to respond to calls to the national suicide
16 prevention lifeline.

17 (12) \$40,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$90,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for the midwifery licensure and
20 regulatory program to supplement revenue from fees. The department
21 shall charge no more than five hundred twenty-five dollars annually
22 for new or renewed licenses for the midwifery program.

23 (13)(a) Within amounts appropriated in this section, the
24 department, in consultation with advocacy groups and experts that
25 focus on hunger and poverty issues, shall produce a report regarding
26 ongoing nutrition assistance programs funded by the United States
27 department of agriculture and administered in Washington state. The
28 report must be a compilation, by program, of data already collected
29 by the department of social and health services, the department of
30 health, the office of the superintendent of public instruction, and
31 the Washington state department of agriculture, and it must include,
32 where available, but is not limited to:

33 (i) The number of people in Washington who are eligible for the
34 program;

35 (ii) The number of people in Washington who participated in the
36 program;

37 (iii) The average annual participation rate in the program;

38 (iv) Participation rates by geographic distribution; and

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

1 (b) The department shall report to the appropriate committees of
2 the legislature and to the governor. An initial report is due by
3 April 30, 2018, and a second report is due by April 30, 2019.

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

9 (15) \$2,604,000 of the health professions account—state
10 appropriation is provided solely for the medical quality assurance
11 commission to address increased workload.

12 (16) \$896,000 of the health professions account—state
13 appropriation is provided solely for the pharmacy commission to
14 improve research and communication to pharmacies regarding the
15 development and implementation of new and changing rules.

16 (17) \$9,000,000 of the general fund—federal appropriation is
17 provided solely for the department to implement projects and
18 activities during the 2017-2019 fiscal biennium that are designed to
19 improve the health and well-being of individuals living with human
20 immunodeficiency virus, including:

21 (a) A health disparity project to increase access to dental,
22 mental health, and housing services for populations that have
23 historically experienced limited access to needed services, including
24 Latino individuals in central Washington;

25 (b) A project to establish a peer-to-peer network for individuals
26 living with human immunodeficiency virus. Trained navigators will
27 work to link individuals living with human immunodeficiency virus to
28 medical care, housing support, training, and other needed services;

29 (c) A project to expand the MAX clinic within Harborview hospital
30 to serve an increased number of high-need clients and establishing a
31 MAX clinic to serve high-need clients in Pierce county. This project
32 shall also provide statewide training for staff of the department, of
33 local health jurisdictions, and of providers of services for persons
34 with human immunodeficiency virus;

35 (d) The development of a single eligibility portal to allow
36 statewide usage and streamlined case management for individuals who
37 are living with human immunodeficiency virus and receiving public
38 health services; and

1 (e) An assessment and evaluation of the effectiveness of each of
2 the projects outlined in subsections (a) through (d) of this
3 subsection.

4 (18) \$6,096,000 of the general fund—local appropriation is
5 provided solely for the department to target its efforts in the HIV
6 early intervention program toward populations with health
7 disparities.

8 (19) \$1,118,000 of the general fund—local appropriation is
9 provided solely for equipment, testing supplies, and materials
10 necessary to add x-linked adrenoleukodystrophy to the mandatory
11 newborn screening panel. The department is authorized to increase the
12 newborn screening fee by \$8.10.

13 (20) \$1,500,000 of the general fund—state appropriation for
14 fiscal year 2018 and \$1,500,000 of the general fund—state
15 appropriation for fiscal year 2019 are provided solely for:

16 (a) Increased screening, case management, and an electronic data
17 reporting system to identify children who are at the highest risk of
18 having elevated levels of lead in their blood, prioritizing children
19 who live in areas where the risk is highest; and

20 (b) Sampling and testing of drinking water and water fixtures in
21 public schools. The department, in collaboration with the educational
22 service districts, must prioritize testing within elementary schools
23 where drinking water and water fixtures have not been tested for
24 contaminants at any time, and elementary schools where drinking water
25 and water fixtures have not been tested within the past three years.
26 Consistent with the United States environmental protection agency's
27 manual, "3Ts for Reducing Lead in Drinking Water in Schools—Revised
28 Technical Guidance," the department must develop guidance and testing
29 protocols for the lead action level for drinking water and for
30 testing drinking water and drinking water fixtures in public and
31 private schools. The guidance must include:

32 (i) Actions to take if test results exceed the federal action
33 level or public drinking water standard;

34 (ii) Recommendations to schools on prioritizing fixture
35 replacement, and options for further reducing lead, including
36 replacement of fixtures or use of certified filters when results are
37 below the federal action level for schools, but exceed the maximum
38 level recommended by the American Academy of Pediatrics; and

1 (iii) Recommendations for communicating test results and risk to
2 parents and the community, including that there is no safe level of
3 lead in water and that action may be warranted even if levels are
4 below the action level.

5 (21) \$277,000 of the general fund—local appropriation is provided
6 solely to implement chapter 207, Laws of 2017 (E2SHB 1819)
7 (children's mental health).

8 (22) \$130,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$130,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely to increase the funding for the
11 breast, cervical, and colon health program administered by the
12 department.

13 (23) Within the amounts appropriated in this section, and in
14 accordance with RCW 43.20B.110 and 70.41.100, the department shall
15 set fees to include the full costs of the performance of inspections
16 pursuant to RCW 70.41.080.

17 (24) Within the amounts appropriated in this section, and in
18 accordance with RCW 43.70.110 and 71.12.470, the department shall set
19 fees to include the full costs of the performance of inspections
20 pursuant to RCW 71.12.485.

21 (25) \$27,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$16,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for the implementation of
24 chapter 273, Laws of 2017 (E2SHB 1358) (community assistance referral
25 programs).

26 (26) \$224,000 of the health professions account—state
27 appropriation is provided solely for the implementation of chapter
28 320, Laws of 2017 (SSB 5322) (dentists and third parties).

29 (27) \$93,000 of the health professions account—state
30 appropriation is provided solely for the implementation of chapter
31 101, Laws of 2017 (ESHB 1431) (osteopathic medicine and surgery).

32 (28) \$82,000 of the general fund—local appropriation is provided
33 solely for the implementation of chapter 263, Laws of 2017 (SSB 5152)
34 (pediatric transitional care).

35 (29) \$25,000 of the general fund—state appropriation for fiscal
36 year 2018 is provided solely for the department to prepare and submit
37 a report about the certificate of need program to the governor and
38 the appropriate fiscal and policy committees of the legislature by
39 October 1, 2017. By health care setting, for each of the preceding

1 ten fiscal years, the report must show the total number of
2 applications, the total number of accepted applications, the total
3 number of beds requested, the total number of beds approved, and a
4 summary of the most common reasons for declining an application. The
5 report must include suggestions for modifying the program to increase
6 the number of successful applications. At least one suggestion must
7 address the goal of adding psychiatric beds within hospitals.

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

15 (31) \$28,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$28,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for staffing capacity at the
18 department to support a performance audit of the fee-setting process
19 for each health profession licensed by the department.

20 (32) The appropriations in this section include sufficient
21 funding for the implementation of chapter 294, Laws of 2017 (SSB
22 5835) (health outcomes/pregnancy).

23 (33) \$670,000 of the general fund—state appropriation for fiscal
24 year 2019 is provided solely for a collaboration between local public
25 health, accountable communities of health, and health care providers
26 to reduce preventable hospitalizations. This one-year initiative will
27 take place in the Tacoma/Pierce county local health jurisdiction.

28 (34) \$556,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely to replace the comprehensive hospital
30 abstract reporting system and is subject to the conditions,
31 limitations, and review provided in section 724, chapter 1, Laws of
32 2017 3rd sp. sess.

33 (35) \$40,000 of the general fund—state appropriation for fiscal
34 year 2019 is provided solely for the department, in partnership with
35 the department of social and health services and the health care
36 authority, to assist a collaborative public-private entity with
37 implementation of recommendations in the state plan to address
38 alzheimer's disease and other dementias.

1 (36) In accordance with RCW 70.96A.090, 71.24.035, 43.20B.110,
2 and 43.135.055, the department is authorized to adopt fees for the
3 review and approval of mental health and substance use disorder
4 treatment programs in fiscal years 2018 and 2019 as necessary to
5 support the costs of the regulatory program. The department's fee
6 schedule must have differential rates for providers with proof of
7 accreditation from organizations that the department has determined
8 to have substantially equivalent standards to those of the
9 department, including but not limited to the joint commission on
10 accreditation of health care organizations, the commission on
11 accreditation of rehabilitation facilities, and the council on
12 accreditation. To reflect the reduced costs associated with
13 regulation of accredited programs, the department's fees for
14 organizations with such proof of accreditation must reflect the lower
15 cost of licensing for these programs than for other organizations
16 which are not accredited.

17 (37) \$30,000 of the general fund—state appropriation for fiscal
18 year 2019 is provided solely for the nursing care quality assurance
19 commission to convene and facilitate a work group to assess the need
20 for nurses in long-term care settings and to make recommendations
21 regarding worker recruitment, training, and retention challenges for
22 long-term care providers in the sectors of skilled nursing
23 facilities, assisted-living facilities, and adult family homes.

24 (a) The work group must:

25 (i) Determine the current and projected worker vacancy rates in
26 the long-term care sectors compared to the workload projections for
27 these sectors;

28 (ii) Develop recommendations for a standardized training
29 curriculum for certified nursing assistants that ensures that workers
30 are qualified to provide care in each sector, including integration
31 into the curriculum of specific training for the care of clients with
32 dementia, developmental disabilities, and mental health issues;

33 (iii) Review academic and other prerequisites for training for
34 licensed practical nurses to identify any barriers to career
35 advancement for certified nursing assistants;

36 (iv) Identify barriers to career advancement for long-term care
37 workers; and

38 (v) Evaluate the oversight roles of the department of health and
39 the department of social and health services for nurse training
40 programs and make recommendations for streamlining those roles.

1 (b) The members of the work group must include the following:

2 (i) The chair of the house health care and wellness committee or
3 his or her designee;

4 (ii) The chair of the senate health and long-term care committee
5 or his or her designee;

6 (iii) The assistant secretary of the aging and disability support
7 administration of the department of social and health services, or
8 his or her designee;

9 (iv) A member of the Washington apprenticeship and training
10 council, chosen by the director of the department of labor and
11 industries;

12 (v) A representative from the health services quality assurance
13 division of the department of health, chosen by the secretary;

14 (vi) The executive director of the Washington state board for
15 community and technical colleges or his or her designee;

16 (vii) A representative of the largest statewide association
17 representing nurses;

18 (viii) A representative of the largest statewide union
19 representing home care workers;

20 (ix) A representative of the largest statewide association
21 representing assisted living and skilled nursing facilities;

22 (x) A representative of the adult family home council of
23 Washington; and

24 (xi) The Washington state long-term care ombuds or his or her
25 designee.

26 (d) The work group must meet at least three times, and the first
27 meeting must occur no later than July 15, 2018. The commission must
28 report no later than December 15, 2018, to the governor and the
29 legislature regarding the work group's assessments and
30 recommendations.

31 (38) \$150,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for the department to implement training
33 and education recommendations described in the 2016 report of the
34 community health worker task force. The department shall report to
35 the legislature on the progress of implementation no later than June
36 30, 2019. These moneys shall only be used to cover the cost of the
37 department's staff time, meeting expenses, and community outreach.

38 (39) \$3,000,000 of the general fund—state appropriation for
39 fiscal year 2019 is provided solely to Seattle and King county public
40 health for core public health services that prevent and stop the

1 spread of communicable disease, including but not limited to zoonotic
2 and emerging diseases and chronic hepatitis B and hepatitis C.

3 (40) \$100,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$360,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for the department to coordinate
6 with local health jurisdictions to establish and maintain
7 comprehensive Group B programs to ensure safe and reliable drinking
8 water. These amounts shall be used to support the costs of the
9 development and adoption of rules, policies and procedures, and for
10 technical assistance, training, and other program-related costs.

11 (41) \$485,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for the implementation of Second
13 Substitute House Bill No. 2671 (behavioral health/agricultural
14 industry). (~~If the bill is not enacted by June 30, 2018, the amounts
15 provided in this subsection shall lapse.~~)

16 (42) \$113,000 of the general fund—local appropriation is provided
17 solely to implement Engrossed Substitute Senate Bill No. 6037
18 (uniform parentage act). (~~If this bill is not enacted by June 30,
19 2018, the amount provided in this subsection shall lapse.~~)

20 (43) \$19,000 of the health professions account—state
21 appropriation is provided solely to implement Substitute Senate Bill
22 No. 6273 (state charity care). (~~If this bill is not enacted by June
23 30, 2018, the amount provided in this subsection shall lapse.~~)

24 (44) \$200,000 of the general fund—state appropriation for fiscal
25 year 2019 is provided solely for a grant to the Benton-Franklin local
26 health jurisdiction to expand its youth suicide prevention activities
27 and to serve as a case study to identify best practice materials,
28 training, intervention practices, and promotional strategies that can
29 be replicated in other local health jurisdictions. The amounts
30 appropriated must be used for the following activities:

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

35 (b) Prior to October 1, 2018, the Benton-Franklin local health
36 jurisdiction must host a summit about the issue of youth suicide
37 prevention. The summit must include attendees from schools, health
38 care organizations, nonprofit organizations, and other relevant
39 organizations from Benton county and Franklin county. The summit may

1 also include attendees from other areas of the state who have unique
2 knowledge and expertise with the issue of youth suicide prevention.
3 Prior to the summit, the Benton-Franklin local health jurisdiction
4 must share the result of the work described in (a) of this subsection
5 with all attendees. During the summit, the Benton-Franklin local
6 health jurisdiction must survey the attendees to determine best
7 practices for educational materials, training, intervention
8 practices, and promotional strategies.

9 (c) Prior to November 1, 2018, the Benton-Franklin local health
10 jurisdiction must complete a plan for expanding youth suicide
11 prevention that is based primarily on the survey of attendees
12 described in (b) of this subsection. For each investment, the plan
13 must describe the amount of funding utilized, as well as the expected
14 results. The plan must be shared with the office of financial
15 management, and the appropriate fiscal and policy committees of the
16 legislature, by November 10, 2018.

17 (d) Prior to June 15, 2019, the Benton-Franklin local health
18 jurisdiction must complete a final report summarizing the work
19 completed to satisfy (a) through (c) of this subsection. The final
20 report must include a description of outcomes that can be measured
21 and linked to the expansion of youth suicide prevention activities
22 funded by this subsection. The final report will serve as a guide for
23 further expansion of youth suicide prevention in Benton-Franklin, or
24 within other local health jurisdictions. The final report must be
25 shared with the office of financial management, and the appropriate
26 fiscal and policy committees of the legislature, by June 30, 2019.

27 (45) \$300,000 of the general fund—state appropriation for fiscal
28 year 2019, \$626,000 of the emergency medical services account
29 appropriation, and \$70,000 of the health profession account
30 appropriation are provided solely for the department to establish a
31 statewide electronic emergency medical services data system for
32 licensed ambulances and aid services to report and furnish patient
33 encounter data, for the distribution of health care supplies through
34 the hub and spoke community-based public health programs, and for
35 knowledge-based identity verification for the prescription monitoring
36 program. The secretary shall be responsible for coordinating the
37 statewide response to the opioid epidemic.

38 (46) \$375,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the department to contract with a
40 private or nonprofit business or organization with experience using

1 evidence-based practices and promising practices for global
2 strategies to reduce health disparities and address root social
3 determinants of health for underserved communities in rural
4 Washington state; with experience in working with underserved
5 populations who face barriers to basic health and economic resources,
6 including lack of access to preventative care, contributing to
7 mismanagement of chronic disease and shortened lifespan; and with
8 expertise regarding Washington state's global health institutions to
9 bring strategies that have proven effective in developing countries
10 to underserved communities in the United States. The program should
11 engage marginalized communities in order to identify barriers and
12 social determinants that most impact health, including access to
13 housing and food and economic stability and be able to identify,
14 train, and provide tools to community leaders. The department must
15 report to the legislature by December 1, 2019, regarding identified
16 barriers and any recommendations for interventions.

17 (47) \$160,000 of the medicaid fraud penalty account—state
18 appropriation is provided solely for additional staffing to
19 coordinate the integration of the prescription monitoring program
20 data into electronic health systems pursuant to chapter 297, Laws of
21 2017 (ESHB 1427) (opioid treatment programs).

22 (48) \$25,000 of the general fund—state appropriation for fiscal
23 year 2019 is provided solely to implement Engrossed Second Substitute
24 Senate Bill No. 6529 (pesticide application safety). (~~If this bill
25 is not enacted by June 30, 2018, the amount provided in this
26 subsection shall lapse.~~)

27 (49) \$791,000 of the health professions account—state
28 appropriation is provided solely to implement House Bill No. 2313
29 (chiropractic quality assurance commission). (~~If this bill is not
30 enacted by June 30, 2018, the amount provided in this subsection
31 shall lapse.~~)

32 **Sec. 217.** 2018 c 299 s 220 (uncodified) is amended to read as
33 follows:

34 **FOR THE DEPARTMENT OF CORRECTIONS**

35 The appropriations to the department of corrections in this act
36 shall be expended for the programs and in the amounts specified in
37 this act. However, after May 1, ~~((2018,))~~ 2019 after approval by the
38 director of financial management and unless specifically prohibited

1 by this act, the department may transfer general fund—state
2 appropriations for fiscal year (~~(2018)~~) 2019 between programs. The
3 department may not transfer funds, and the director of financial
4 management may not approve the transfer, unless the transfer is
5 consistent with the objective of conserving, to the maximum extent
6 possible, the expenditure of state funds. The director of financial
7 management shall notify the appropriate fiscal committees of the
8 senate and house of representatives in writing seven days prior to
9 approving any deviations from appropriation levels. The written
10 notification must include a narrative explanation and justification
11 of the changes, along with expenditures and allotments by budget unit
12 and appropriation, both before and after any allotment modifications
13 or transfers.

14 (1) ADMINISTRATION AND SUPPORT SERVICES

15 General Fund—State Appropriation (FY 2018)	. . . . . \$60,866,000
16 General Fund—State Appropriation (FY 2019)	. . . . . ((\$61,152,000))
17	<u>\$64,655,000</u>
18 General Fund—Federal Appropriation.	. . . . . \$400,000
19 Pension Funding Stabilization Account—State	
20 Appropriation.	. . . . . \$7,602,000
21 TOTAL APPROPRIATION.	. . . . . ((\$130,020,000))
22	<u>\$133,523,000</u>

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

25 (a) \$35,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$35,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the support of a statewide
28 council on mentally ill offenders that includes as its members
29 representatives of community-based mental health treatment programs,
30 current or former judicial officers, and directors and commanders of
31 city and county jails and state prison facilities. The council will
32 investigate and promote cost-effective approaches to meeting the
33 long-term needs of adults and juveniles with mental disorders who
34 have a history of offending or who are at-risk of offending,
35 including their mental health, physiological, housing, employment,
36 and job training needs.

37 (b) (i) During the 2017-2019 fiscal biennium, the department must
38 revise its agreements and contracts with vendors to include a
39 provision to require that each vendor agrees to equality among its

1 workers by ensuring similarly employed individuals are compensated as
2 equals as follows:

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

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

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

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

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

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

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

27 (c) \$488,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$964,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for information technology
30 business solutions and are subject to the conditions, limitations,
31 and review provided in section 724 of this act.

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

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

6 (2) CORRECTIONAL OPERATIONS

7	General Fund—State Appropriation (FY 2018)	. . . . .	\$499,134,000
8	General Fund—State Appropriation (FY 2019)	. . . . .	(\$515,165,000)
9			<u>\$531,636,000</u>
10	General Fund—Federal Appropriation	. . . . .	\$818,000
11	Washington Auto Theft Prevention Authority Account—State		
12	Appropriation	. . . . .	\$4,588,000
13	Pension Funding Stabilization Account—State		
14	Appropriation	. . . . .	\$62,831,000
15	TOTAL APPROPRIATION	. . . . .	(\$1,082,536,000)
16			<u>\$1,099,007,000</u>

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

19 (a) The department may contract for beds statewide to the extent
20 that it is at no net cost to the department. The department shall
21 calculate and report the average cost per offender per day, inclusive
22 of all services, on an annual basis for a facility that is
23 representative of average medium or lower offender costs. The
24 duration of the contracts may be for up to four years. The department
25 shall not pay a rate greater than \$85 per day per offender for all
26 costs associated with the offender while in the local correctional
27 facility to include programming and health care costs, or the
28 equivalent of \$85 per day per bed including programming and health
29 care costs for full units. The capacity provided at local
30 correctional facilities must be for offenders whom the department of
31 corrections defines as medium or lower security offenders.
32 Programming provided for inmates held in local jurisdictions is
33 included in the rate, and details regarding the type and amount of
34 programming, and any conditions regarding transferring offenders must
35 be negotiated with the department as part of any contract. Local
36 jurisdictions must provide health care to offenders that meet
37 standards set by the department. The local jail must provide all
38 medical care including unexpected emergent care. The department must
39 utilize a screening process to ensure that offenders with existing

1 extraordinary medical/mental health needs are not transferred to
2 local jail facilities. If extraordinary medical conditions develop
3 for an inmate while at a jail facility, the jail may transfer the
4 offender back to the department, subject to terms of the negotiated
5 agreement. Health care costs incurred prior to transfer are the
6 responsibility of the jail.

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

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

17 ~~((d)) \$250,000 of the general fund—state appropriation for fiscal~~
18 ~~year 2019 are provided solely for the department to enter into an~~
19 ~~agreement to purchase electricity for the Monroe correctional complex~~
20 ~~from a source located in Snohomish county that is fueled using~~
21 ~~commercial or industrial waste from an on-site lumber mill that~~
22 ~~employs at least 150 people.~~

23 ~~(e))~~ (d) Within the amounts appropriated in this section,
24 funding is provided to implement chapter 335, Laws of 2017 (SB 5037)
25 (DUI 4th offense/felony).

26 ~~((f))~~ (e) The appropriations in this section include sufficient
27 funding for the implementation of chapter 226, Laws of 2017 (HB 1153)
28 (vulnerable persons/crimes).

29 ~~((g))~~ (f) Within the amounts appropriated in this section, the
30 department of corrections must review the use of full body scanners
31 at state correctional facilities for women to reduce the frequency of
32 strip and body cavity searches and report with recommendations to the
33 governor and the appropriate legislative committees by November 15,
34 2017. The report must address the cost of technology, installation,
35 and maintenance; the benefits to personnel and inmates; information
36 regarding accumulated exposure to radiation; and general guidelines
37 for implementation at a pilot facility.

38 ~~((h))~~ (g) \$400,000 of the general fund—state appropriation for
39 fiscal year 2019 is provided solely for the department to contract

1 with an independent third party to: (i) Provide a comprehensive
2 review of the prison staffing model; and (ii) develop an updated
3 prison staffing model for use by the department.

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

12 ~~((+j))~~ (i) \$240,000 of the general fund—state appropriation for
13 fiscal year 2019 is provided solely for implementation of Engrossed
14 Second Substitute House Bill No. 1889 (corrections ombuds). ~~((If the
15 bill is not enacted by June 30, 2018, the amount provided in this
16 subsection shall lapse.))~~

17 (3) COMMUNITY SUPERVISION

18	General Fund—State Appropriation (FY 2018)	. . . . .	\$179,455,000
19	General Fund—State Appropriation (FY 2019)	. . . . .	(((\$189,378,000))
20			<u>\$203,061,000</u>
21	General Fund—Federal Appropriation	. . . . .	\$2,898,000
22	Pension Funding Stabilization Account—State		
23	Appropriation.	. . . . .	\$12,791,000
24	TOTAL APPROPRIATION.	. . . . .	(((\$384,522,000))
25			<u>\$398,205,000</u>

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

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

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

5 (c) By January 1, 2018, the department of corrections shall
6 provide a report to the office of financial management and the
7 appropriate fiscal and policy committees of the legislature to
8 include a review of the department's policies and procedures related
9 to swift and certain sanctioning, and identification of legal
10 decisions that impact caseload and operations. The report shall
11 include recommendations for improving public and staff safety while
12 decreasing recidivism through improved alignment of the department's
13 policies and procedures with current best practices concerning swift
14 and certain sanctioning. The report shall include a review of
15 department practices, legal decisions that impact caseload and
16 operations, an analysis of current best practices in other
17 jurisdictions that have adopted swift and certain sanctioning, and
18 recommendations to improve the department's practices and procedures.

19 (d) Within the amounts appropriated in this section, funding is
20 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
21 offense/felony).

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

27 (4) CORRECTIONAL INDUSTRIES

28	General Fund—State Appropriation (FY 2018)	. . . . .	\$6,278,000
29	General Fund—State Appropriation (FY 2019)	. . . . .	(((\$5,959,000))
30			<u>\$6,680,000</u>
31	Pension Funding Stabilization Account—State		
32	Appropriation.		\$510,000
33	TOTAL APPROPRIATION.		(((\$12,747,000))
34			<u>\$13,468,000</u>

35 (5) INTERAGENCY PAYMENTS

36	General Fund—State Appropriation (FY 2018)	. . . . .	\$45,002,000
37	General Fund—State Appropriation (FY 2019)	. . . . .	(((\$42,889,000))
38			<u>\$42,612,000</u>
39	TOTAL APPROPRIATION.		(((\$87,891,000))

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

(a) \$13,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the implementation of Substitute House Bill No. 2638 (graduated reentry program). ((If the bill is not enacted by June 30, 2018, the amount in this subsection shall lapse.))

(b) \$72,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1889 (corrections ombuds). ((If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.))

(6) OFFENDER CHANGE

General Fund—State Appropriation (FY 2018)	. . . . .	\$52,685,000
General Fund—State Appropriation (FY 2019)	. . . . .	(\$56,724,000)
		<u>\$55,243,000</u>
Pension Funding Stabilization Account—State		
Appropriation.	. . . . .	\$4,434,000
TOTAL APPROPRIATION.	. . . . .	(\$113,843,000)
		<u>\$112,362,000</u>

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

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

(b) The department shall submit a report by December 1, 2018, to the appropriate committees of the legislature regarding the department's compliance with this subsection. The report must: (i) Include a summary of the comprehensive plan; (ii) analyze state funds allocated to cognitive behavioral change programs and reentry specific programs, including percentages and amounts of funds used in evidence-based practices and the number of people being served; (iii)

1 identify discontinued and newly implemented cognitive behavioral
2 change programs and reentry specific programs, including information
3 used by the department in evaluating the effectiveness of
4 discontinued and implemented programs; and (iv) provide
5 recommendations to improve program outcomes, including recommended
6 strategies, deadlines, and funding.

7 (c) Within the amounts appropriated in this section, funding is
8 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
9 offense/felony).

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

15 (7) HEALTH CARE SERVICES

16	General Fund—State Appropriation (FY 2018)	\$144,271,000
17	General Fund—State Appropriation (FY 2019)	(\$146,621,000)
18		<u>\$153,471,000</u>
19	TOTAL APPROPRIATION.	(\$290,892,000)
20		<u>\$297,742,000</u>

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

26 **Sec. 218.** 2018 c 299 s 223 (uncodified) is amended to read as
27 follows:

28 **FOR THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES**

29 The appropriations to the department of children, youth, and
30 families in this act shall be expanded for the programs and in the
31 amounts specified in this act. To the extent that appropriations in
32 this section are insufficient to fund actual expenditures in excess
33 of caseload forecasts and utilization assumptions, the department,
34 after May 1, 2019, may transfer general fund—state appropriations for
35 fiscal year 2019 that are provided solely for a specified purpose.
36 The department may not transfer funds, and the director of the office
37 of financial management shall not approve the transfer, unless the
38 transfer is consistent with the objective of conserving, to the

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

9 (1) CHILDREN AND FAMILIES SERVICES PROGRAM

10	General Fund—State Appropriation (FY 2019)	((\$361,756,000))
11		<u>\$365,327,000</u>
12	General Fund—Federal Appropriation.	((\$246,625,000))
13		<u>\$247,882,000</u>
14	General Fund—Private/Local Appropriation.	((\$1,477,000))
15		<u>\$1,412,000</u>
16	((Domestic Violence Prevention Account—State	
17	Appropriation.	\$1,002,000))
18	Pension Funding Stabilization Account—State	
19	Appropriation.	\$13,976,000
20	TOTAL APPROPRIATION.	((\$624,836,000))
21		<u>\$628,597,000</u>

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

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

37 (b) \$253,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for the costs of hub home foster

1 families that provide a foster care delivery model that includes a
2 licensed hub home. Use of the hub home model is intended to support
3 foster parent retention, improve child outcomes, and encourage the
4 least restrictive community placements for children in out-of-home
5 care.

6 (c) \$579,000 of the general fund—state appropriation for fiscal
7 year 2019 and \$55,000 of the general fund—federal appropriation are
8 provided solely for a receiving care center east of the Cascade
9 mountains.

10 (d) \$990,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for services provided through children's
12 advocacy centers.

13 (e) \$1,351,000 of the general fund—state appropriation for fiscal
14 year 2019 is provided solely for implementation of performance-based
15 contracts for family support and related services pursuant to RCW
16 74.13B.020.

17 (f) \$7,173,000 of the general fund—state appropriation for fiscal
18 year 2019 and \$6,022,000 of the general fund—federal appropriation
19 are provided solely for family assessment response. Amounts
20 appropriated in this subsection are sufficient to implement
21 Substitute Senate Bill No. 6309 (family assessment response).

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

26 (h) \$2,933,000 of the general fund—state appropriation for fiscal
27 year 2019 and \$876,000 of the general fund—federal appropriation are
28 provided solely for the department to reduce the caseload ratios of
29 social workers serving children in foster care to promote decreased
30 lengths of stay and to make progress towards achievement of the Braam
31 settlement caseload outcome.

32 (i) (A) \$540,000 of the general fund—state appropriation for
33 fiscal year 2019, \$328,000 of the general fund private/local
34 appropriation, and \$126,000 of the general fund—federal appropriation
35 are provided solely for a contract with an educational advocacy
36 provider with expertise in foster care educational outreach. The
37 amounts in this subsection are provided solely for contracted
38 education coordinators to assist foster children in succeeding in
39 K-12 and higher education systems and to assure a focus on education

1 during the department's transition to performance-based contracts.
2 Funding must be prioritized to regions with high numbers of foster
3 care youth, or regions where backlogs of youth that have formerly
4 requested educational outreach services exist. The department is
5 encouraged to use private matching funds to maintain educational
6 advocacy services.

7 (B) The department shall contract with the office of the
8 superintendent of public instruction, which in turn shall contract
9 with a nongovernmental entity or entities to provide educational
10 advocacy services pursuant to RCW 28A.300.590.

11 (j) The department shall continue to implement policies to reduce
12 the percentage of parents requiring supervised visitation, including
13 clarification of the threshold for transition from supervised to
14 unsupervised visitation prior to reunification.

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

29 (l) \$321,000 of the general fund—state appropriation for fiscal
30 year 2019 and \$133,000 of the general fund—federal appropriation are
31 provided solely to implement chapter 265, Laws of 2017 (SHB 1867)
32 (ext. foster care transitions).

33 (m) \$400,000 of the general fund—state appropriation for fiscal
34 year 2019 is provided solely for a contract with a national nonprofit
35 organization to, in partnership with private matching funds,
36 subcontract with a community organization for specialized, enhanced
37 adoption placement services for legally free children in state
38 custody. The contract must supplement, but not supplant, the work of
39 the department to secure permanent adoptive homes for children.

1 (n) \$375,000 of the general fund—state appropriation for fiscal
2 year 2019 and \$56,000 of the general fund—federal appropriation are
3 provided solely for the department to develop, implement, and expand
4 strategies to improve the capacity, reliability, and effectiveness of
5 contracted visitation services for children in temporary out-of-home
6 care and their parents and siblings. Strategies may include, but are
7 not limited to, increasing mileage reimbursement for providers,
8 offering transportation-only contract options, and mechanisms to
9 reduce the level of parent-child supervision when doing so is in the
10 best interest of the child. The department must submit an analysis of
11 the strategies and associated outcomes no later than October 1, 2018.

12 (o) For purposes of meeting the state's maintenance of effort for
13 the state supplemental payment program, the department of children,
14 youth, and families shall track and report to the department of
15 social and health services the monthly state supplemental payment
16 amounts attributable to foster care children who meet eligibility
17 requirements specified in the state supplemental payment state plan.
18 Such expenditures must equal at least \$3,100,000 annually and may not
19 be claimed toward any other federal maintenance of effort
20 requirement. Annual state supplemental payment expenditure targets
21 must continue to be established by the department of social and
22 health services. Attributable amounts must be communicated by the
23 department of children, youth, and families to the department of
24 social and health services on a monthly basis.

25 (p) \$1,018,000 of the general fund—state appropriation for fiscal
26 year 2019 and \$195,000 of the general fund—federal appropriation are
27 provided solely for a six percent base rate increase for child care
28 center providers, effective September 1, 2017.

29 (q) \$1,230,000 of the general fund—state appropriation for fiscal
30 year 2019 and \$78,000 of the general fund—federal appropriation are
31 provided solely to increase the travel reimbursement for in-home
32 service providers.

33 (r) The department is encouraged to control exceptional
34 reimbursement decisions so that the child's needs are met without
35 excessive costs.

36 (s) \$1,342,000 of the general fund—state appropriation for fiscal
37 year 2019 and \$959,000 of the general fund—federal appropriation are
38 provided solely to implement Engrossed Substitute Senate Bill No.
39 5890 (foster care and adoption). Within the amounts provided in this

1 section, \$366,000 of the general fund—state appropriation for fiscal
2 year 2019 and \$174,000 of the general fund—federal appropriation are
3 provided solely for short-term care for licensed foster families. If
4 the bill is not enacted by July 31, 2017, the amounts provided in
5 this subsection shall lapse.

6 (t) \$197,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for the department to conduct biennial
8 inspections and certifications of facilities, both overnight and day
9 shelters, that serve those who are under 18 years old and are
10 homeless.

11 (u) \$848,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for the department to operate emergent
13 placement contracts. The department shall not include the costs to
14 operate emergent placement contracts in the calculations for family
15 foster home maintenance payments.

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

19 (w) \$250,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for the department to contract with a
21 county-wide nonprofit organization with early childhood expertise in
22 Pierce county for a pilot project that convenes stakeholders to
23 develop and plan an intervention using the help me grow model to
24 prevent child abuse and neglect.

25 (x) \$692,000 of the general fund—state appropriation for fiscal
26 year 2019 and \$487,000 of the general fund—federal appropriation are
27 provided solely for the department to implement an enhanced rate add-
28 on for providers who increase bed capacity for behavioral
29 rehabilitation services as measured against the provider's average
30 bed capacity as of the first six months of fiscal year 2018. The
31 department must report to the legislature no later than January 1,
32 2019, on the effect of this enhanced rate add-on on increasing
33 behavioral rehabilitation services bed capacity and rates of
34 placement.

35 (y) \$100,000 of the general fund—state appropriation for fiscal
36 year 2019 is provided solely for implementation of Engrossed House
37 Bill No. 2008 (state services for children). (~~If the bill is not~~
38 ~~enacted by June 30, 2018, the amount provided in this subsection~~
39 ~~shall lapse.~~)

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

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

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

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

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

29 (II) Disaggregated data by race and ethnicity;

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

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

37 (D) Engage stakeholders in participating in the analysis and
38 development of recommendations, including foster youth and children
39 and youth experiencing homelessness, foster parents and relative

1 caregivers, birth parents, caseworkers, school districts and
2 educators, early learning providers, postsecondary education
3 advocates, and federally recognized tribes;

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

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

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

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

14 (IV) Address system barriers such as data sharing;

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

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

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

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

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

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

36 (iii) Nothing in this subsection (1)(bb) permits disclosure of
37 confidential information protected from disclosure under federal or
38 state law, including but not limited to information protected under
39 chapter 13.50 RCW. Confidential information received by the work

1 group retains its confidentiality and may not be further disseminated
2 except as allowed under federal and state law.

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

9 (2) EARLY LEARNING PROGRAM

10	General Fund—State Appropriation (FY 2019)	. . . . .	(\$126,846,000)
11			<u>\$114,238,000</u>
12	General Fund—Federal Appropriation	. . . . .	(\$149,289,000)
13			<u>\$186,389,000</u>
14	Education Legacy Trust Account—State Appropriation	. . . . .	\$14,190,000
15	Home Visiting Services Account—State Appropriation	. . . . .	\$5,489,000
16	Home Visiting Services Account—Federal		
17	Appropriation	. . . . .	\$11,706,000
18	WA Opportunity Pathways Account—State Appropriation	. . . . .	\$40,000,000
19	Pension Funding Stabilization Account—State		
20	Appropriation	. . . . .	\$468,000
21	TOTAL APPROPRIATION	. . . . .	(\$347,988,000)
22			<u>\$372,480,000</u>

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

25 (a) \$67,938,000 of the general fund—state appropriation for
26 fiscal year 2019, \$12,125,000 of the education legacy trust account—
27 state appropriation, and \$40,000,000 of the opportunity pathways
28 account appropriation are provided solely for the early childhood
29 education and assistance program. These amounts shall support at
30 least 13,491 slots in fiscal year 2019.

31 (b) \$200,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely to develop and provide culturally
33 relevant supports for parents, family, and other caregivers.

34 (c) ~~((i))~~ The department is the lead agency for and recipient of
35 the federal child care and development fund grant. Amounts within
36 this grant shall be used to fund child care licensing, quality
37 initiatives, agency administration, and other costs associated with
38 child care subsidies. The department shall transfer a portion of this

1 grant to the department of social and health services to fund the
2 child care subsidies paid by the department of social and health
3 services on behalf of the department.

4 ~~((ii)(A) If the department receives additional federal child
5 care and development funding while the legislature is not in session,
6 the department shall request a federal allotment adjustment through
7 the unanticipated receipts process defined in RCW 43.79.270 and shall
8 prioritize its request based on the following priorities:~~

9 ~~(I) Increasing child care rates comparable to market rates based
10 on the most recent market survey;~~

11 ~~(II) Increasing access to infant and toddler child care;~~

12 ~~(III) Increasing access to child care in geographic areas where
13 supply for subsidized child care does not meet the demand;~~

14 ~~(IV) Providing nurse consultation services to licensed providers;~~

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

18 ~~(VI) Meeting new or expanded federal mandates.~~

19 ~~(B) The secretary of the department shall consult with the chairs
20 and ranking members of the appropriate policy committees of the
21 legislature prior to submitting the unanticipated receipt.)~~

22 (d) (i) ~~(\$78,090,000)~~ \$108,798,000 of the general fund—federal
23 appropriation is provided solely for the working connections child
24 care program under RCW 43.215.135. In order to not exceed the
25 appropriated amount, the department shall manage the program so that
26 the average monthly caseload does not exceed 33,000 households. The
27 department shall give prioritized access into the program according
28 to the following order:

29 (A) Families applying for or receiving temporary assistance for
30 needy families (TANF);

31 (B) TANF families curing sanction;

32 (C) Foster children;

33 (D) Families that include a child with special needs;

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

38 (F) Families with a child residing with a biological parent or
39 guardian who have received child protective services, child welfare
40 services, or a family assessment response from the department in the

1 past six months, and has received a referral for child care as part
2 of the family's case management;

3 (G) Families that received subsidies within the last thirty days
4 and:

5 (I) Have reapplied for subsidies; and

6 (II) Have household income of two hundred percent federal poverty
7 level or below; and

8 (H) All other eligible families.

9 (ii) The department, in collaboration with the department of
10 social and health services, must submit a final report by December 1,
11 2018, to the governor and the appropriate fiscal and policy
12 committees of the legislature on quality control measures for the
13 working connections child care program. The report must include:

14 (A) A detailed narrative of the procurement and implementation of
15 an improved time and attendance system, including a detailed
16 accounting of the costs of procurement and implementation;

17 (B) A comprehensive description of all processes, including
18 computer algorithms and additional rule development, that the
19 department and the department of social and health services plan to
20 establish prior to and after full implementation of the time and
21 attendance system. At a minimum, processes must be designed to:

22 (I) Ensure the department's auditing efforts are informed by
23 regular and continuous alerts of the potential for overpayments;

24 (II) Avoid overpayments to the maximum extent possible and
25 expediently recover overpayments that have occurred;

26 (III) Withhold payment from providers when necessary to
27 incentivize receipt of the necessary documentation to complete an
28 audit;

29 (IV) Establish methods for reducing future payments or
30 establishing repayment plans in order to recover any overpayments;

31 (V) Sanction providers, including termination of eligibility, who
32 commit intentional program violations or fail to comply with program
33 requirements, including compliance with any established repayment
34 plans; and

35 (VI) Consider pursuit of prosecution in cases with fraudulent
36 activity; and

37 (C) A description of the process by which fraud is identified and
38 how fraud investigations are prioritized and expedited.

39 (iii) Beginning July 1, 2018, and annually thereafter, the
40 department, in collaboration with the department of social and health

1 services, must report to the governor and the appropriate fiscal and
2 policy committees of the legislature on the status of overpayments in
3 the working connections child care program. The report must include
4 the following information for the previous fiscal year:

5 (A) A summary of the number of overpayments that occurred;

6 (B) The reason for each overpayment;

7 (C) The total cost of overpayments;

8 (D) A comparison to overpayments that occurred in the past two
9 preceding fiscal years; and

10 (E) Any planned modifications to internal processes that will
11 take place in the coming fiscal year to further reduce the occurrence
12 of overpayments.

13 (e) Within available amounts, the department in consultation with
14 the office of financial management and the department of social and
15 health services shall report enrollments and active caseload for the
16 working connections child care program to the legislative fiscal
17 committees and the legislative-executive WorkFirst oversight task
18 force on an agreed upon schedule. The report shall also identify the
19 number of cases participating in both temporary assistance for needy
20 families and working connections child care. The department must also
21 report on the number of children served through contracted slots.

22 (f) \$1,560,000 of the general fund—state appropriation for fiscal
23 year 2019 and \$6,712,000 of the general fund—federal appropriation
24 are provided solely for the seasonal child care program. If federal
25 sequestration cuts are realized, cuts to the seasonal child care
26 program must be proportional to other federal reductions made within
27 the department.

28 (g) \$4,674,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely for the early childhood intervention
30 prevention services (ECLIPSE) program. The department shall contract
31 for ECLIPSE services to provide therapeutic child care and other
32 specialized treatment services to abused, neglected, at-risk, and/or
33 drug-affected children. The department shall ensure that contracted
34 providers pursue receipt of federal funding associated with the early
35 support for infants and toddlers program. Priority for services shall
36 be given to children referred from the department.

37 (h) \$42,706,000 of the general fund—state appropriation for
38 fiscal year 2019 and \$13,954,000 of the general fund—federal
39 appropriation are provided solely to maintain the requirements set

1 forth in chapter 7, Laws of 2015, 3rd sp. sess. The department shall
2 place a ten percent administrative overhead cap on any contract
3 entered into with the University of Washington. In its annual report
4 to the governor and the legislature, the department shall report the
5 total amount of funds spent on the quality rating and improvements
6 system and the total amount of funds spent on degree incentives,
7 scholarships, and tuition reimbursements. Of the amounts provided in
8 this subsection (h), \$577,000 of the general fund—state appropriation
9 for fiscal year 2019 is provided solely for a six percent base rate
10 increase for child care center providers.

11 (i) \$1,728,000 of the general fund—state appropriation for fiscal
12 year 2019 is provided solely for reducing barriers for low-income
13 providers to participate in the early achievers program.

14 (j) \$300,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided solely for a contract with a nonprofit entity
16 experienced in the provision of promoting early literacy for children
17 through pediatric office visits.

18 (k) \$2,000,000 of the education legacy trust account—state
19 appropriation is provided solely for early intervention assessment
20 and services.

21 (l) \$3,445,000 of the general fund—federal appropriation for
22 fiscal year 2019 is provided solely for the department to procure a
23 time and attendance system and are subject to the conditions,
24 limitations, and review provided in section 724 of this act.

25 (m) Information technology projects or investments and proposed
26 projects or investments impacting time capture, payroll and payment
27 processes and systems, eligibility, case management and authorization
28 systems within the department are subject to technical oversight by
29 the office of the chief information officer. The department must
30 collaborate with the office of the chief information officer to
31 develop a strategic business and technology architecture plan for a
32 child care attendance and billing system that supports a statewide
33 architecture.

34 (n) (i) (A) The department is required to provide to the education
35 research and data center, housed at the office of financial
36 management, data on all state-funded early childhood programs. These
37 programs include the early support for infants and toddlers, early
38 childhood education and assistance program (ECEAP), and the working
39 connections and seasonal subsidized childcare programs including

1 license exempt facilities or family, friend, and neighbor care. The
2 data provided by the department to the education research data center
3 must include information on children who participate in these
4 programs, including their name and date of birth, and dates the child
5 received services at a particular facility.

6 (B) ECEAP early learning professionals must enter any new
7 qualifications into the department's professional development
8 registry starting in the 2015-16 school year, and every school year
9 thereafter. By October 2017, and every October thereafter, the
10 department must provide updated ECEAP early learning professional
11 data to the education research data center.

12 (C) The department must request federally funded head start
13 programs to voluntarily provide data to the department and the
14 education research data center that is equivalent to what is being
15 provided for state-funded programs.

16 (D) The education research and data center must provide an
17 updated report on early childhood program participation and K-12
18 outcomes to the house of representatives appropriations committee and
19 the senate ways and means committee using available data by March
20 2018 for the school year ending in 2017.

21 (ii) The department, in consultation with the department of
22 social and health services, must withhold payment for services to
23 early childhood programs that do not report on the name, date of
24 birth, and the dates a child received services at a particular
25 facility.

26 (o) The department shall work with state and local law
27 enforcement, federally recognized tribal governments, and tribal law
28 enforcement to develop a process for expediting fingerprinting and
29 data collection necessary to conduct background checks for tribal
30 early learning and child care providers.

31 (p) \$2,651,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for the 2017-2019 collective bargaining
33 agreement covering family child care providers as set forth in
34 section 940 of this act. Amounts provided in this subsection (p) are
35 contingent upon the enactment of Senate Bill No. 5969 (transparency
36 in public employee collective bargaining). If the bill is not enacted
37 by July 31, 2017, the amount provided in this subsection shall lapse.
38 Of the amounts provided in this subsection:

39 (i) \$273,000 is for a base rate increase;

1 (ii) \$55,000 is for increasing paid professional development days
2 from three days to five days;

3 (iii) \$1,708,000 is for the family child care providers 501(c)(3)
4 organization for the substitute pool, training and quality
5 improvement support services, and administration;

6 (iv) \$114,000 is for increasing licensing incentive payments; and

7 (v) \$500,000 is for needs based grants.

8 (q) \$175,000 of the general fund—state appropriation for fiscal
9 year 2019 is provided solely for the department to contract with a
10 nonprofit entity that provides quality improvement services to
11 participants in the early achievers program to implement a community-
12 based training module that supports licensed child care providers who
13 have been rated in early achievers and who are specifically
14 interested in serving children in the early childhood education and
15 assistance program. The module must be functionally translated into
16 Spanish and Somali. The module must prepare trainees to administer
17 all aspects of the early childhood education and assistance program
18 for eligible children in their licensed program and must be offered
19 to 105 child care providers to serve children eligible for the early
20 childhood education and assistance program by June 30, 2019.

21 (r) \$219,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for implementation of chapter 236, Laws
23 of 2017 (SHB 1445) (dual language in early learning & K-12).

24 (s) \$100,000 of the general fund—state appropriation for fiscal
25 year 2019 is provided solely for implementation of chapter 202, Laws
26 of 2017 (E2SHB 1713) (children's mental health).

27 (t) \$317,000 of the general fund—state appropriation for fiscal
28 year 2019 are provided solely for implementation of chapter 162, Laws
29 of 2017 (SSB 5357) (outdoor early learning programs).

30 (u) \$50,000 of the general fund—state appropriation for fiscal
31 year 2019 is provided solely for the department, in collaboration
32 with the department of health, to submit a report on child care nurse
33 consultation to the governor and appropriate fiscal and policy
34 committees of the legislature by December 1, 2018. The report must
35 address the following:

36 (i) Provide background on what nurse consultation services are
37 currently available to licensed child care providers; and

38 (ii) Provide options and recommendations, including fiscal
39 estimates, for a plan to provide nurse consultation services to

1 licensed child care providers who request assistance in addressing
2 the health and behavioral needs of children in their care.

3 (v) \$163,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for the department to develop a
5 community-based training module in managing and sustaining a child
6 care business for child care providers and entrepreneurs. To develop
7 the training, the department must consult with the statewide child
8 care resource and referral network, the community and technical
9 college system, and one or more community-based organizations with
10 experience in preparing child care providers for entry into the
11 workforce. By November 1, 2018, the department must offer the
12 training as a pilot in rural Jefferson county and urban Pierce
13 county. The department must report on the results of the pilot to the
14 governor and the legislature by December 1, 2019.

15 (w) \$74,000 of the general fund—state appropriation for fiscal
16 year 2019 is provided solely for implementation of Engrossed House
17 Bill No. 2861 (trauma-informed child care). If the bill is not
18 enacted by June 30, 2018, the amount provided in this subsection
19 shall lapse.

20 (x) \$750,000 of the general fund—state appropriation for fiscal
21 year 2019 is provided solely for the implementation of the expanded
22 learning opportunity quality initiative pursuant to RCW
23 43.215.100(3)(d).

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

29 (3) PROGRAM SUPPORT

30	General Fund—State Appropriation (FY 2019)	. . . . .	((\$51,709,000))
31			<u>\$53,662,000</u>
32	General Fund—Federal Appropriation.	. . . . .	((\$15,928,000))
33			<u>\$17,230,000</u>
34	TOTAL APPROPRIATION.	. . . . .	((\$67,637,000))
35			<u>\$70,892,000</u>

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

38 (a) The appropriations provided in this subsection are provided
39 solely for implementation of Engrossed Second Substitute House Bill

1 No. 1661 (child, youth, families department). If the bill is not
2 enacted by July 31, 2017, the amount provided in this subsection
3 shall lapse.

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) (i) \$150,000 of the general fund—state appropriation for
34 fiscal year 2019 is provided solely for the department to conduct a
35 study, jointly with the office of homeless youth prevention and
36 protection programs within the department of commerce, on the public
37 system response to families and youth in crisis who are seeking
38 services to address family conflict in the absence of child abuse and
39 neglect.

1 (ii) In conducting the study required under this section, the
2 department and the office shall involve stakeholders involved in
3 advocating and providing services to truants and at-risk youth, and
4 shall consult with local jurisdictions, the Washington administrative
5 office of the courts, and other entities as appropriate. The study
6 shall review the utilization of existing resources such as secure
7 crisis residential centers, crisis residential centers, and HOPE beds
8 and make recommendations to assure effective use or redeployment of
9 these resources.

10 (iii) The department and office shall develop recommendations to
11 improve the delivery of services to youth and families in conflict
12 which shall include a plan to provide community-based early
13 intervention services as well as intensive interventions for families
14 and youth facing crisis so severe that a youth cannot continue to
15 reside in the home or is at risk of experiencing homelessness.
16 Recommendations may include changes to family reconciliation
17 services, and revisions to the at-risk youth and child in need of
18 services petition processes, including consideration of a combined
19 family in need of services petition process or a civil citation
20 process.

21 (iv) The department and the office shall jointly submit
22 recommendations required by this section to the governor and the
23 appropriate legislative committees no later than December 15, 2018.

24 (d) \$1,000,000 of the general fund—state appropriation for fiscal
25 year 2019 is provided solely to support the implementation of the
26 department of children, youth, and families. The department must
27 submit an expenditure plan to the office of financial management and
28 may expend implementation funds after the approval of the director of
29 the office of financial management.

30 (e) \$111,000 of the general fund—state appropriation for fiscal
31 year 2019 is provided solely for implementation of Engrossed House
32 Bill No. 2008 (state services for children). If the bill is not
33 enacted by June 30, 2018, the amount provided in this subsection
34 shall lapse.

(End of part)

PART III
NATURAL RESOURCES

Sec. 301. 2018 c 299 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund—State Appropriation (FY 2018)	\$19,735,000
General Fund—State Appropriation (FY 2019)	(\$22,505,000)
	<u>\$23,992,000</u>
General Fund—Federal Appropriation	\$106,467,000
General Fund—Private/Local Appropriation	\$23,008,000
Reclamation Account—State Appropriation	\$4,101,000
Flood Control Assistance Account—State Appropriation	\$4,173,000
State Emergency Water Projects Revolving Account—State Appropriation	\$40,000
Waste Reduction/Recycling/Litter Control—State Appropriation	\$14,787,000
State Drought Preparedness Account—State Appropriation	\$204,000
State and Local Improvements Revolving Account (Water Supply Facilities)—State Appropriation	\$164,000
Aquatic Algae Control Account—State Appropriation	\$522,000
Water Rights Tracking System Account—State Appropriation	\$47,000
Site Closure Account—State Appropriation	\$582,000
Wood Stove Education and Enforcement Account—State Appropriation	\$560,000
Worker and Community Right-to-Know Account—State Appropriation	\$1,869,000
Water Rights Processing Account—State Appropriation	\$39,000
State Toxics Control Account—State Appropriation	(\$149,327,000)
	<u>\$149,387,000</u>
State Toxics Control Account—Private/Local Appropriation	\$499,000
Local Toxics Control Account—State Appropriation	\$4,864,000
Water Quality Permit Account—State Appropriation	(\$44,403,000)
	<u>\$44,418,000</u>
Underground Storage Tank Account—State Appropriation	\$3,661,000
Biosolids Permit Account—State Appropriation	\$2,203,000
Environmental Legacy Stewardship Account—State Appropriation	\$41,421,000

1	Hazardous Waste Assistance Account—State	
2	Appropriation	\$6,593,000
3	Radioactive Mixed Waste Account—State Appropriation	\$18,425,000
4	Air Pollution Control Account—State Appropriation	\$3,477,000
5	Oil Spill Prevention Account—State Appropriation	\$9,744,000
6	Air Operating Permit Account—State Appropriation	\$3,816,000
7	Freshwater Aquatic Weeds Account—State Appropriation	\$1,459,000
8	Oil Spill Response Account—State Appropriation	\$7,076,000
9	Dedicated Marijuana Account—State Appropriation	
10	(FY 2019).	\$98,000
11	Pension Funding Stabilization Account—State	
12	Appropriation.	\$2,924,000
13	Water Pollution Control Revolving Administration	
14	Account—State Appropriation	\$3,595,000
15	TOTAL APPROPRIATION.	(\$502,388,000)
16		<u>\$503,950,000</u>

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

19 (1) \$170,000 of the oil spill prevention account—state
20 appropriation is provided solely for a contract with the University
21 of Washington's sea grant program to continue an educational program
22 targeted to small spills from commercial fishing vessels, ferries,
23 cruise ships, ports, and marinas.

24 (2) \$15,000,000 of the general fund—state appropriation for
25 fiscal year 2018 and \$15,000,000 of the general fund—state
26 appropriation for fiscal year 2019 are provided solely for activities
27 within the water resources program.

28 (3) \$228,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$227,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for the department to grant to
31 the northwest straits commission to distribute equally among the
32 seven Puget Sound marine resource committees.

33 (4) Within existing resources, the department of ecology must
34 engage stakeholders in a revision of WSR 13-22-073, rule amendments
35 to chapter 173-350 WAC, to revise the proposed rule and submit a
36 report to the senate local government and energy, environment, and
37 telecommunications committees and the house of representatives local
38 government and environment committees by September 1, 2017. The
39 report must include a summary of areas of consensus and dispute,

1 proposed resolution of disputes, a list of engaged stakeholders, a
2 proposed timeline for potential rule adoption, and the most recent
3 draft of proposed amendment language, if any.

4 (5) \$180,000 of the general fund—state appropriation for fiscal
5 year 2019, \$44,000 of the waste reduction, recycling and litter
6 control account—state appropriation, \$720,000 of the state toxics
7 control account—state appropriation, \$17,000 of the local toxics
8 control account—state appropriation, \$220,000 of the water quality
9 permit account—state appropriation, \$23,000 of the underground
10 storage tank account—state appropriation, \$132,000 of the
11 environmental legacy stewardship account—state appropriation, \$39,000
12 of the hazardous waste assistance account—state appropriation,
13 \$86,000 of the radioactive mixed waste account—state appropriation,
14 \$18,000 of the air pollution control account—state appropriation,
15 \$41,000 of the oil spill prevention account—state appropriation, and
16 \$23,000 of the air operating permit account—state appropriation are
17 provided solely for modernizing and migrating the department of
18 ecology's business applications from an agency-based data center to
19 the state data center or a cloud environment and are subject to the
20 conditions, limitations, and review provided in section 724, chapter
21 1, Laws of 2017 3rd sp. sess.

22 (6) \$80,000 of the hazardous waste assistance account—state
23 appropriation is provided solely for the implementation of Substitute
24 House Bill No. 2634 (antifouling paints). If the bill is not enacted
25 by June 30, 2018, the amount provided in this subsection shall lapse.

26 (7) \$97,000 of the state toxics control account—state
27 appropriation is provided solely for the implementation of Engrossed
28 Substitute House Bill No. 2658 (perfluorinated chemicals). If the
29 bill is not enacted by June 30, 2018, the amount provided in this
30 subsection shall lapse.

31 (8) \$42,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$102,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for implementation of Executive
34 Order No. 12-07, Washington's response to ocean acidification.

35 (9) \$81,000 of the oil spill prevention account—state
36 appropriation is provided solely for rule-making and other
37 implementation costs of chapter 239, Laws of 2017 (short line
38 railroad).

1 (10) \$73,000 of the state toxics control account—state
2 appropriation is provided solely for implementing the provisions of
3 Engrossed Substitute Senate Bill No. 6413 (firefighting/toxic
4 chemicals). If the bill is not enacted by June 30, 2018, the amount
5 provided in this subsection shall lapse.

6 (11) \$1,143,000 of the oil spill prevention account—state
7 appropriation is provided solely for implementing the provisions of
8 Engrossed Second Substitute Senate Bill No. 6269 (strengthening oil
9 transportation safety). If the bill is not enacted by June 30, 2018,
10 the amount provided in this subsection shall lapse.

11 (12) \$190,000 of the general fund—state appropriation for fiscal
12 year 2018, \$1,707,000 of the general fund—state appropriation for
13 fiscal year 2019, and \$2,000,000 of the flood control assistance
14 account—state appropriation are provided solely for the
15 implementation of chapter 1, Laws of 2018 (ESSB 6091) (water
16 availability).

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

23 (14) \$14,000 of the state toxics control account—state
24 appropriation and \$13,000 of the water quality permit account—state
25 appropriation are provided solely for the implementation of Engrossed
26 House Bill No. 2957 (nonnative finfish escape). If the bill is not
27 enacted by June 30, 2018, the amounts provided in this subsection
28 shall lapse.

29 (15) (a) \$625,000 of the general fund—state appropriation for
30 fiscal year 2019 is provided solely to address water use in violation
31 of chapter 90.03 or 90.44 RCW in priority watersheds. The legislature
32 recognizes that water use in violation of chapter 90.03 or 90.44 RCW
33 in priority watersheds can impair existing instream flows and senior
34 water rights and supports actions taken by the department to reduce
35 water use in violation of chapter 90.03 or 90.44 RCW. The department
36 shall engage in compliance and enforcement work to ensure compliance
37 with requirements under chapters 90.03 and 90.44 RCW. Funding is
38 authorized to be used for technical assistance, informal enforcement,
39 and formal enforcement actions.

1 (b) The department shall use funds appropriated under this
2 section to work in water resource inventory areas where: (a) Rules
3 have been adopted under chapters 90.22 or 90.54 RCW; (b) those rules
4 do not specify mitigation requirements for groundwater withdrawals
5 exempt from permitting under RCW 90.44.050; and (c) the department
6 believes water use in violation of chapter 90.03 or 90.44 RCW is
7 negatively impacting streamflows.

8 (c) The department shall submit a report to the legislature by
9 December 1, 2019, that summarizes the compliance and enforcement work
10 completed in each basin, including the estimated benefit to
11 streamflows occurring from actions taken.

12 (d) Appropriations under this section should not replace or
13 otherwise impact funds appropriated to the department to carry out
14 duties under RCW 90.03.605 and chapter 90.08 RCW.

15 (16) \$187,000 of the state toxics control account—state
16 appropriation is provided solely to the department to begin a
17 multiyear study to distinguish the sources of emissions of the toxic
18 air pollutant that poses the greatest cancer risk at the air
19 monitoring station that is located closest to a port in the state
20 with the highest volume of container traffic in domestic and foreign
21 waterborne trade, as measured by the United States bureau of
22 transportation statistics for the most recent year such statistics
23 were available, as of January 1, 2017. The local air pollution
24 control authority may financially contribute to the completion of
25 this study, and the department is encouraged to consult with the
26 local air pollution control authority in designing and implementing
27 this study.

28 (17) \$98,000 of the dedicated marijuana account—state
29 appropriation for fiscal year 2019 is provided solely for the
30 department to begin conducting research into appropriate protocols
31 and accreditation standards for marijuana testing laboratories. By
32 January 15, 2019, the department must report to the appropriate
33 committees of the legislature with preliminary recommendations
34 regarding laboratory accreditation standards that should be applied
35 to marijuana testing laboratories.

36 **Sec. 302.** 2018 c 299 s 303 (uncodified) is amended to read as
37 follows:

38 **FOR THE STATE PARKS AND RECREATION COMMISSION**

1	General Fund—State Appropriation (FY 2018)	. . . . .	\$8,993,000
2	General Fund—State Appropriation (FY 2019)	. . . . .	(\$10,328,000)
3			<u>\$10,578,000</u>
4	General Fund—Federal Appropriation	. . . . .	\$6,977,000
5	Winter Recreation Program Account—State Appropriation	. . . . .	\$3,292,000
6	ORV and Nonhighway Vehicle Account—State Appropriation	. . . . .	\$392,000
7	Snowmobile Account—State Appropriation	. . . . .	\$5,632,000
8	Aquatic Lands Enhancement Account—State Appropriation	. . . . .	\$367,000
9	Recreation Access Pass Account—State Appropriation	. . . . .	\$50,000
10	Parks Renewal and Stewardship Account—State		
11	Appropriation	. . . . .	(\$124,299,000)
12			<u>\$124,833,000</u>
13	Parks Renewal and Stewardship Account—Private/Local		
14	Appropriation	. . . . .	(\$420,000)
15			<u>\$615,000</u>
16	Pension Funding Stabilization Account—State		
17	Appropriation	. . . . .	\$1,498,000
18	TOTAL APPROPRIATION	. . . . .	(\$162,248,000)
19			<u>\$163,227,000</u>

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

22 (1) \$129,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$129,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for a grant for the operation of
25 the Northwest weather and avalanche center.

26 (2) \$100,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$100,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for the commission to pay
29 assessments charged by local improvement districts.

30 (3) \$700,000 of the parks renewal and stewardship account—state
31 appropriation is provided solely for the commission to replace 32
32 existing automated pay stations and to install 38 additional
33 automated pay stations within state parks.

34 (4) \$50,000 of the recreation access pass account—state
35 appropriation is provided solely for the commission, using its
36 authority under RCW 79A.05.055(3) and in partnership with the
37 department of fish and wildlife and the department of natural
38 resources, to coordinate a process to develop options and

1 recommendations to improve consistency, equity, and simplicity in
2 recreational access fee systems while accounting for the fiscal
3 health and stability of public land management. The process must be
4 collaborative and include other relevant agencies and appropriate
5 stakeholders. The commission must contract with the William D.
6 Ruckelshaus Center or another neutral third party to facilitate
7 meetings and discussions with parties involved in the process and
8 provide a report to the appropriate committees of the legislature by
9 December 1, 2017. The process must analyze and make recommendations
10 on:

11 (a) Opportunities for federal and state recreational permit fee
12 coordination, including the potential for developing a system that
13 allows a single pass to provide access to federal and state lands;

14 (b) Opportunities to enhance consistency in the way state and
15 federal recreational access fees apply to various types of
16 recreational users, including those that travel to public lands by
17 motor vehicle, boat, bicycle, foot, or another method; and

18 (c) Opportunities to develop a comprehensive and consistent
19 statewide approach to recreational fee discounts and exemptions to
20 social and other groups including, but not limited to, disabled
21 persons, seniors, disabled veterans, foster families, low-income
22 residents, and volunteers. This analysis must examine the cost of
23 such a program, and should consider how recreational fee discounts
24 fit into the broader set of benefits provided by the state to these
25 social groups. This includes a review of the efficacy, purpose, and
26 cost of existing recreational fee discounts and exemptions, as well
27 as opportunities for new or modified social group discounts and
28 exemptions. The department of veterans affairs and the department of
29 social and health services must be included in this portion of the
30 process.

31 (5) \$100,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for the commission to carry out forest
33 health related activities at the Squilchuck state park.

34 **Sec. 303.** 2018 c 299 s 306 (uncodified) is amended to read as
35 follows:

36 **FOR THE CONSERVATION COMMISSION**

37 General Fund—State Appropriation (FY 2018) \$7,074,000
38 General Fund—State Appropriation (FY 2019) (~~\$7,329,000~~)

1		<u>\$7,629,000</u>
2	General Fund—Federal Appropriation	\$2,301,000
3	Public Works Assistance Account—State Appropriation.	\$7,619,000
4	State Toxics Control Account—State Appropriation	\$1,000,000
5	Pension Funding Stabilization Account—State	
6	Appropriation.	\$254,000
7	TOTAL APPROPRIATION.	((\$25,577,000))
8		<u>\$25,877,000</u>

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

11 (1) \$7,602,000 of the public works assistance account—state
12 appropriation is provided solely for implementation of the voluntary
13 stewardship program. This amount may not be used to fund agency
14 indirect and administrative expenses.

15 (2) (a) \$50,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$100,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for the commission to convene
18 and facilitate a food policy forum. The director of the commission is
19 responsible for appointing participating members of the food policy
20 forum in consultation with the director of the department of
21 agriculture. In making appointments, the director of the commission
22 must attempt to ensure a diversity of knowledge, experience, and
23 perspectives by building on the representation established by the
24 food system roundtable initiated by executive order No. 10-02.

25 (b) In addition to members appointed by the director of the state
26 conservation commission, four legislators may serve on the food
27 policy forum in an ex officio capacity. Legislative participants must
28 be appointed as follows:

29 (i) The speaker of the house of representatives shall appoint one
30 member from each of the two largest caucuses of the house of
31 representatives; and

32 (ii) The president of the senate shall appoint one member from
33 each of the two largest caucuses of the senate.

34 (c) The commission shall coordinate with the office of farmland
35 preservation and the department of agriculture to avoid duplication
36 of effort. The commission must report to the appropriate committees
37 of the legislature, consistent with RCW 43.01.036, with the forum's
38 recommendations by June 30, 2019.

1 (3) \$275,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$475,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for grants and technical
4 assistance. Of the amounts provided in this subsection, \$25,000 in
5 fiscal year 2018 and \$225,000 in fiscal year 2019 are provided solely
6 for activities related to water quality improvements and fecal
7 coliform DNA speciation statewide.

8 **Sec. 304.** 2018 c 299 s 307 (uncodified) is amended to read as
9 follows:

10 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

11	General Fund—State Appropriation (FY 2018)	\$46,860,000
12	General Fund—State Appropriation (FY 2019)	\$47,569,000
13	General Fund—Federal Appropriation	\$130,365,000
14	General Fund—Private/Local Appropriation	\$63,918,000
15	ORV and Nonhighway Vehicle Account—State Appropriation . . .	\$699,000
16	Aquatic Lands Enhancement Account—State	
17	Appropriation	(\$10,423,000)
18		<u>\$10,424,000</u>
19	Recreational Fisheries Enhancement—State	
20	Appropriation	\$3,118,000
21	Warm Water Game Fish Account—State Appropriation . . .	(\$2,660,000)
22		<u>\$2,661,000</u>
23	Eastern Washington Pheasant Enhancement Account—State	
24	Appropriation	\$675,000
25	State Wildlife Account—State Appropriation	\$117,751,000
26	Special Wildlife Account—State Appropriation	(\$3,234,000)
27		<u>\$3,235,000</u>
28	Special Wildlife Account—Federal Appropriation	\$505,000
29	Special Wildlife Account—Private/Local Appropriation .	(\$3,573,000)
30		<u>\$3,574,000</u>
31	Wildlife Rehabilitation Account—State Appropriation	\$361,000
32	Ballast Water and Biofouling Management Account—State	
33	Appropriation.	\$10,000
34	Hydraulic Project Approval Account—State Appropriation .	(\$29,000)
35		<u>\$137,000</u>
36	Environmental Legacy Stewardship Account—State	
37	Appropriation	\$2,763,000
38	Regional Fisheries Enhancement Salmonid Recovery Account—	

1	Federal Appropriation	\$5,001,000
2	Oil Spill Prevention Account—State Appropriation	\$1,120,000
3	Pension Funding Stabilization Account—State	
4	Appropriation.	\$5,178,000
5	Oyster Reserve Land Account—State Appropriation	\$527,000
6	Performance Audits of Government Account—State	
7	Appropriation.	\$325,000
8	Aquatic Invasive Species Management Account—State	
9	Appropriation.	\$1,656,000
10	TOTAL APPROPRIATION.	((\$446,581,000))
11		<u>\$448,432,000</u>

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

14 (1) \$67,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$467,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely to pay for emergency fire
17 suppression costs. These amounts may not be used to fund agency
18 indirect and administrative expenses.

19 (2) \$1,109,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$1,109,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for payments in lieu of real
22 property taxes to counties that elect to receive the payments for
23 department-owned game lands within the county.

24 (3) \$415,000 of the general fund—state appropriation for fiscal
25 year 2018, \$415,000 of the general fund—state appropriation for
26 fiscal year 2019, and \$440,000 of the general fund—federal
27 appropriation are provided solely for county assessments.

28 (4) Prior to submitting its 2019-2021 biennial operating and
29 capital budget requests related to state fish hatcheries to the
30 office of financial management, the department shall contract with
31 the hatchery scientific review group (HSRG) to review the proposed
32 requests. This review shall: (a) Determine if the proposed requests
33 are consistent with HSRG recommendations; (b) prioritize the
34 components of the requests based on their contributions to protecting
35 wild salmonid stocks and meeting the recommendations of the HSRG; and
36 (c) evaluate whether the proposed requests are being made in the most
37 cost-effective manner. The department shall provide a copy of the
38 HSRG review to the office of financial management with its agency
39 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 \$525,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for training for a work unit to
19 engage and empower diverse stakeholders in decisions about fish and
20 wildlife, the continued conflict transformation with the wolf
21 advisory group, and for cost share partnerships with livestock owners
22 and the use of range riders to reduce the potential for depredation
23 of livestock from wolves. The department shall cooperate with the
24 department of agriculture to shift the responsibility of implementing
25 cost-sharing contracts with livestock producers to use nonlethal
26 actions to minimize livestock loss from wolves and other carnivores
27 to the department of agriculture.

28 (8) \$1,259,000 of the state wildlife account—state appropriation
29 is provided solely for the fish program, including implementation of
30 Substitute House Bill No. 1597 (commercial fishing). If the bill is
31 not enacted by July 31, 2017, the amount provided in this subsection
32 shall lapse.

33 (9) \$1,630,000 of the aquatic invasive species management
34 account, \$600,000 of the general fund—federal appropriation, \$62,000
35 of the state wildlife account—state appropriation, and \$10,000 of the
36 ballast water and biofouling management account—state appropriation
37 are provided solely for activities related to aquatic invasive
38 species, including implementation of Substitute House Bill No. 1429
39 or Substitute Senate Bill No. 5303 (aquatic invasive species). If

1 neither bill is enacted by July 31, 2017, the amounts provided in
2 this subsection shall lapse.

3 (10) Within amounts provided in this section, the department must
4 consult with affected tribes and landowners in Skagit county to
5 develop and implement a plan designed to address elk-related
6 agricultural damage and vehicular collisions by using all available
7 and appropriate methods including, but not limited to, cooperative
8 fencing projects and harvest in order to minimize elk numbers on
9 private lands and maximize the number of elk located on state and
10 federal lands. The plan must be implemented by September 1, 2018.

11 (11) Within the appropriations of this section, the department
12 shall initiate outreach with recreational fishing stakeholders so
13 that recreational fishing guide and non-guided angler data can be
14 collected and analyzed to evaluate changes in the structure of guide
15 licensing, with the objectives of: (a) Improving the fishing
16 experience and ensuring equitable opportunity for both guided and
17 non-guided river anglers, (b) managing fishing pressure to protect
18 wild steelhead and other species; and (c) ensuring that recreational
19 fish guiding remains a sustainable economic contributor to rural
20 economies. The department shall convene public meetings in the North
21 Olympic Peninsula and Klickitat River areas, and may include other
22 areas of the state, and shall provide the appropriate standing
23 committees of the legislature a summary of its findings, by December
24 31, 2017.

25 (12) (a) \$5,500,000 of the general fund—state appropriation for
26 fiscal year 2018, \$5,500,000 of the general fund—state appropriation
27 for fiscal year 2019, and \$325,000 of the performance audits of
28 government account—state appropriation are provided solely as one-
29 time funding to support the department in response to its budget
30 shortfall. Of the amounts provided in this subsection, \$450,000 of
31 the general fund—state appropriation for fiscal year 2018 and
32 \$450,000 of the general fund—state appropriation for fiscal year 2019
33 are provided solely for the department to grant to the regional
34 fisheries enhancement groups. In order to address this shortfall on a
35 long-term basis, the department must develop a plan for balancing
36 projected revenue and expenditures and improving the efficiency and
37 effectiveness of agency operations, including:

38 (i) Expenditure reduction options that maximize administrative
39 and organizational efficiencies and savings, while avoiding hatchery

1 closures and minimizing impacts to fisheries and hunting
2 opportunities; and

3 (ii) Additional revenue options and an associated outreach plan
4 designed to ensure that the public, stakeholders, the commission, and
5 legislators have the opportunity to understand and impact the design
6 of the revenue options.

7 (iii) The range of options created under (a)(i) and (ii) of this
8 subsection must be prioritized by impact on achieving financial
9 stability, impact on the public and fisheries and hunting
10 opportunities, and on timeliness and ability to achieve intended
11 outcomes.

12 (b) In consultation with the office of financial management, the
13 department must consult with an outside management consultant to
14 evaluate and implement efficiencies to the agency's operations and
15 management practices. Specific areas of evaluation must include:

16 (i) Potential inconsistencies and increased costs associated with
17 the decentralized nature of organizational authority and operations;

18 (ii) The department's budgeting and accounting processes,
19 including work done at the central, program, and region levels, with
20 specific focus on efficiencies to be gained by centralized budget
21 control;

22 (iii) Executive management, program management, and regional
23 management structures, specifically addressing accountability.

24 (c) In carrying out these planning requirements, the department
25 must provide quarterly updates to the commission, office of financial
26 management, and appropriate legislative committees. The department
27 must provide a final summary of its process and plan by September 1,
28 2018.

29 (d) The department, in cooperation with the office of financial
30 management shall conduct a zero-based budget review of its operating
31 budget and activities to be submitted with the department's 2019-2021
32 biennial budget submittal. Information and analysis submitted by the
33 department for the zero-based review under this subsection shall
34 include:

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

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

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

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

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

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

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

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

15 (13) \$580,000 of the general fund—state appropriation for fiscal
16 year 2019 is provided solely for the implementation of chapter 1,
17 Laws of 2018 (ESSB 6091) (water availability).

18 (14) \$76,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$472,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for the department to increase
21 enforcement of vessel traffic near orca whales, especially commercial
22 and recreational whale watchers and shipping, and to reduce
23 underwater noise levels that interfere with feeding and
24 communication. While the patrol focus is to be on orca whale
25 protection when the animals are present, nothing prohibits responses
26 to emergent public safety or in-progress poaching incidents. In the
27 event that orca whales are not present in marine waters of Puget
28 Sound, emphasis will be placed on patrols that protect living marine
29 resources in northern Puget Sound.

30 (15) \$837,000 of the general fund—state appropriation for fiscal
31 year 2019 is appropriated for the department to increase hatchery
32 production of key prey species fish throughout the Puget Sound,
33 coast, and Columbia river. The department shall work with the
34 governor, federal partners, tribal co-managers, the hatchery
35 scientific review group, and other interested parties to develop a
36 biennial hatchery production plan by December 31, 2018, that will:
37 (a) Identify, within hatchery standards and endangered species act
38 constraints, hatchery programs and specific facilities to contribute
39 to the dietary needs of orca whales; (b) consider prey species

1 preferences and migratory patterns of orca whales; and (c) include
2 adaptive management provisions to ensure the conservation and
3 enhancement of wild stocks. The final plan will be reviewed by the
4 hatchery scientific review group and submitted to the appropriate
5 committees of the legislature by December 31, 2018.

6 (16) \$115,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for an interagency agreement with the
8 office of financial management for facilitation services and support
9 the governor's efforts to develop a long-term action plan for orca
10 whale recovery.

11 (17) \$55,000 of the state wildlife account—state appropriation is
12 provided solely for implementing the provisions of Engrossed
13 Substitute Senate Bill No. 6127 (halibut fishery). If the bill is not
14 enacted by June 30, 2018, the amount provided in this subsection
15 shall lapse.

16 (18) \$65,000 of the general fund—state appropriation for fiscal
17 year 2019 is provided solely for the implementation of Engrossed
18 House Bill No. 2957 (nonnative finfish escape). If the bill is not
19 enacted by June 30, 2018, the amounts provided in this subsection
20 shall lapse.

21 (19) \$183,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for the department to evaluate
23 translocation as a management tool to advance the recovery of wolves
24 using the state environmental policy act (SEPA) process. The
25 department shall provide a report to the legislature outlining the
26 results of the SEPA process no later than December 31, 2019.

27 (20) \$373,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$417,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for the department to complete
30 the third and final phase of the Puget Sound steelhead research
31 project.

32 (21) \$100,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$400,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for the department to add a
35 veterinarian, microbiologist, and make laboratory upgrades to ensure
36 the hatchery program complies with recent changes in water quality
37 and health laws.

38 (22) \$400,000 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 restoration costs that are a
2 result of wildfire damage.

3 (23) \$300,000 of the general fund—state appropriation for fiscal
4 year 2019 is provided solely for the department to implement and
5 enforce chapter 2, Laws of 2016 (Initiative Measure No. 1401).

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

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

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

16 (c) Where necessary, the department shall make payments to all
17 public and private entities that contributed to the purchase of the
18 unit's 540 acres of waterfowl habitat, in amounts that are required
19 by the funding entity.

20 **Sec. 305.** 2018 c 299 s 308 (uncodified) is amended to read as
21 follows:

22 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

23	General Fund—State Appropriation (FY 2018)	. . . . .	\$74,728,000
24	General Fund—State Appropriation (FY 2019)	. . . . .	(\$49,316,000)
25			<u>\$62,855,000</u>
26	General Fund—Federal Appropriation	. . . . .	(\$36,496,000)
27			<u>\$54,365,000</u>
28	General Fund—Private/Local Appropriation	. . . . .	(\$3,230,000)
29			<u>\$4,430,000</u>
30	Forest Development Account—State Appropriation	. . . . .	\$50,122,000
31	ORV and Nonhighway Vehicle Account—State		
32	Appropriation	. . . . .	\$7,843,000
33	Surveys and Maps Account—State Appropriation	. . . . .	\$2,479,000
34	Aquatic Lands Enhancement Account—State		
35	Appropriation	. . . . .	\$16,188,000
36	Resources Management Cost Account—State		
37	Appropriation	. . . . .	\$121,520,000
38	Surface Mining Reclamation Account—State		

1	Appropriation	\$4,122,000
2	Disaster Response Account—State Appropriation.	\$23,076,000
3	Forest and Fish Support Account—State Appropriation.	\$12,789,000
4	Aquatic Land Dredged Material Disposal Site Account—State	
5	Appropriation.	\$400,000
6	Natural Resources Conservation Areas Stewardship Account—State	
7	Appropriation	\$232,000
8	State Toxics Control Account—State Appropriation.	\$10,709,000
9	Forest Practices Application Account—State	
10	Appropriation	\$1,896,000
11	Air Pollution Control Account—State Appropriation	\$870,000
12	NOVA Program Account—State Appropriation	\$733,000
13	Pension Funding Stabilization Account—State	
14	Appropriation.	\$3,239,000
15	Derelict Vessel Removal Account—State Appropriation.	\$1,945,000
16	Community Forest Trust Account—State Appropriation.	\$52,000
17	Agricultural College Trust Management Account—State	
18	Appropriation	\$3,055,000
19	TOTAL APPROPRIATION.	(\$425,040,000)
20		<u>\$457,648,000</u>

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

23 (1) \$1,420,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$1,352,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for deposit into the
26 agricultural college trust management account and are provided solely
27 to manage approximately 70,700 acres of Washington State University's
28 agricultural college trust lands.

29 (2) \$44,455,000 of the general fund—state appropriation for
30 fiscal year 2018(~~(, \$16,546,000)~~) and \$30,602,000 of the general fund
31 —state appropriation for fiscal year 2019, and \$16,050,000 of the
32 disaster response account—state appropriation are provided solely for
33 emergency fire suppression. The general fund—state appropriations
34 provided in this subsection may not be used to fund the department's
35 indirect and administrative expenses. The department's indirect and
36 administrative costs shall be allocated among its remaining accounts
37 and appropriations.

1 (3) \$5,000,000 of the forest and fish support account—state
2 appropriation is provided solely for outcome-based performance
3 contracts with tribes to participate in the implementation of the
4 forest practices program. Contracts awarded may only contain indirect
5 costs set at or below the rate in the contracting tribe's indirect
6 cost agreement with the federal government. If federal funding for
7 this purpose is reinstated, the amount provided in this subsection
8 shall lapse.

9 (4) \$1,640,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$1,640,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for the department to carry out
12 the forest practices adaptive management program pursuant to RCW
13 76.09.370 and the May 24, 2012, settlement agreement entered into by
14 the department and the department of ecology. Scientific research
15 must be carried out according to the master project schedule and work
16 plan of cooperative monitoring, evaluation, and research priorities
17 adopted by the forest practices board. The forest practices board
18 shall submit a report to the legislature following review, approval,
19 and solicitation of public comment on the cooperative monitoring,
20 evaluation, and research master project schedule, to include:
21 Cooperative monitoring, evaluation, and research science and related
22 adaptive management expenditure details, accomplishments, the use of
23 cooperative monitoring, evaluation, and research science in decision-
24 making, and funding needs for the coming biennium. For new or amended
25 forest practices rules adopted or new or amended board manual
26 provisions approved under chapter 76.09 RCW, the forest practices
27 board shall also report on its evaluation of the scientific basis for
28 the rule or board manual provisions including a technical assessment
29 of the value-added benefits for aquatic resources and the
30 corresponding economic impact to the regulated community from the
31 rule or board manual. The report shall be provided to the appropriate
32 committees of the legislature by November 1, 2018.

33 (5) \$147,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$147,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely for chapter 280, Laws of 2017
36 (ESHB 2010) (homelessness/wildfire areas), including local capacity
37 for wildfire suppression in any county located east of the crest of
38 the Cascade mountain range that shares a common border with Canada
39 and has a population of one hundred thousand or fewer. The funding

1 provided in this subsection must be provided to these counties for
2 radio communication equipment, or to fire protection service
3 providers within these counties for residential wildfire risk
4 reduction activities, including education and outreach, technical
5 assistance, fuel mitigation, and other residential risk reduction
6 measures. For the purposes of this subsection, fire protection
7 service providers include fire departments, fire districts, emergency
8 management services, and regional fire protection service
9 authorities. The department must prioritize funding to counties
10 authorized in this subsection, and fire protection service providers
11 within those counties that serve a disproportionately higher
12 percentage of low-income residents as defined in RCW 84.36.042, that
13 are located in areas of higher wildfire risk, and whose fire
14 protection service providers have a shortage of reliable equipment
15 and resources. Of the amount provided in this subsection, \$7,000 per
16 fiscal year is provided for department administration costs.

17 (6) Sufficient funding is provided in this section and the
18 capital appropriations act to implement chapter 248, Laws of 2017
19 (E2SHB 1711) (forest health treatments).

20 (7) \$211,000 of the general fund—state appropriation for fiscal
21 year 2018 is provided solely for implementation of chapter 319, Laws
22 of 2017 (ESSB 5198) (fire retardant use). The department shall study
23 and report on the types and efficacy of fire retardants used in fire
24 suppression activities, their potential impact on human health and
25 natural resources, and make recommendations to the legislature by
26 December 31, 2017.

27 (8) \$505,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$486,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for implementation of chapter
30 95, Laws of 2017 (2SSB 5546) (forest health treatment assessment).
31 The department shall establish a forest health assessment and
32 treatment framework that consists of biennial forest health
33 assessments, treatments, and progress review and reporting.

34 (9) \$150,000 of the aquatic lands enhancement account—state
35 appropriation is provided solely for continued facilitation and
36 support services for the marine resources advisory council.

37 (10) \$250,000 of the aquatic lands enhancement account—state
38 appropriation is provided solely for implementation of the state
39 marine management plan and ongoing costs of the Washington coastal

1 marine advisory council to serve as a forum and provide
2 recommendations on coastal management issues.

3 (11) \$406,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$350,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for Teanaway community forest
6 operations management costs, such as management plan oversight and
7 forest health.

8 (12) \$150,000 of the state toxics control account—state
9 appropriation is provided solely for the department to meet its
10 obligations as a potentially liable party under the Washington model
11 toxics control act at Whitmarsh landfill and the east waterway site.

12 (13) \$25,000 of the general fund—state appropriation for fiscal
13 year 2018 is provided solely for conducting an aerial survey of the
14 Washington coast forests to monitor the occurrence and spread of
15 Swiss needle cast disease.

16 (14) \$25,000 of the general fund—state appropriation for fiscal
17 year 2018 is provided solely for the department to grant to the
18 University of Washington, Olympic natural resources center to develop
19 a plan to mitigate the effects of Swiss needle cast disease on
20 douglas fir tree species.

21 (15) Within existing resources, the department, in collaboration
22 with the emergency management division of the military department,
23 must develop agreements with other state agencies to recruit state
24 employees to voluntarily participate in the wildfire suppression
25 program. Other agency staff are eligible to receive training, fire
26 gear, and any other necessary items to be ready for deployment to
27 fight wildfires when called. The department shall cover agency staff
28 costs directly or through reimbursement and must submit a request for
29 an appropriation in the next legislative session to fulfill this
30 requirement. The department must provide a report detailing the
31 opportunities, challenges, and recommendations for increasing state
32 employee voluntary participation in the wildfire suppression program
33 to the appropriate committees of the legislature by December 1, 2017.

34 (16) \$160,000 of the general fund—state appropriation for fiscal
35 year 2019 is provided solely for implementing the provisions of
36 Engrossed Substitute Senate Bill No. 6109 (wildland urban interface).
37 If the bill is not enacted by June 30, 2018, the amount provided in
38 this subsection shall lapse.

1 (17) \$42,000 of the forest development account—state
2 appropriation, \$56,000 of the resources management cost account—state
3 appropriation, and \$2,000 of the agricultural college trust
4 management account—state appropriation are provided solely for the
5 implementation of Engrossed Substitute House Bill No. 2285 (marbled
6 murrelet reports). If the bill is not enacted by June 30, 2018, the
7 amounts provided in this subsection shall lapse.

8 (18) \$6,000 of the forest development account—state
9 appropriation, \$36,000 of the resources management cost account—state
10 appropriation, and \$1,000 of the agricultural college trust
11 management account—state appropriation are provided solely for the
12 implementation of Third Substitute House Bill No. 2382 (surplus
13 public property). If the bill is not enacted by June 30, 2018, the
14 amounts provided in this subsection shall lapse.

15 (19) \$57,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$136,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for the implementation of
18 Substitute House Bill No. 2561 (wildland fire advisory committee). If
19 the bill is not enacted by June 30, 2018, the amounts provided in
20 this subsection shall lapse.

21 (20) \$403,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely for the implementation of House Bill No.
23 2733 (prescribed burn certificate program). If the bill is not
24 enacted by June 30, 2018, the amount provided in this subsection
25 shall lapse.

26 ~~((22))~~ (21) \$380,000 of the general fund—state appropriation
27 for fiscal year 2019 is provided solely for one full-time natural
28 resource scientist, one full-time information technology specialist,
29 and related support costs dedicated to earthquake and tsunami
30 hazards. Duties for these positions include, but are not limited to,
31 developing inventories, maps, evacuation routes, educational
32 materials, databases, and other activities that increase preparedness
33 for earthquakes and tsunamis.

34 ~~((23))~~ (22) \$37,000 of the aquatic lands enhancement account—
35 state appropriation and \$37,000 of the resources management cost
36 account—state appropriation are provided solely for the
37 implementation of Engrossed House Bill No. 2957 (nonnative finfish
38 escape). If the bill is not enacted by June 30, 2018, the amounts
39 provided in this subsection shall lapse.

1 ~~((24))~~ (23) \$25,000 of the general fund—state appropriation for
2 fiscal year 2019 is provided solely to enhance the department's
3 efforts to develop and submit a proposed amendment to the 1997
4 Washington state trust lands habitat conservation plan for a marbled
5 murrelet long-term conservation strategy. In meeting the department's
6 legal and fiduciary obligations to beneficiaries of state lands and
7 state forestlands, the proposed amendment shall be consistent with
8 the requirements of the 1997 state lands habitat conservation plan,
9 the associated implementation agreement and incidental take permit,
10 and the federal endangered species act.

11 ~~((25))~~ (24) \$198,000 of the natural resources conservation
12 areas stewardship account—state appropriation is provided solely for
13 weed control and maintenance of public access at natural areas.

14 **Sec. 306.** 2018 c 299 s 309 (uncodified) is amended to read as
15 follows:

16 **FOR THE DEPARTMENT OF AGRICULTURE**

17	General Fund—State Appropriation (FY 2018)	. . . . .	\$16,888,000
18	General Fund—State Appropriation (FY 2019)	. . . . .	(\$17,465,000)
19			<u>\$18,163,000</u>
20	General Fund—Federal Appropriation	. . . . .	(\$32,134,000)
21			<u>\$32,599,000</u>
22	General Fund—Private/Local Appropriation	. . . . .	\$193,000
23	Aquatic Lands Enhancement Account—State Appropriation	. . . . .	\$2,563,000
24	State Toxics Control Account—State Appropriation	. . . . .	\$6,066,000
25	Water Quality Permit Account—State Appropriation	. . . . .	\$73,000
26	Pension Funding Stabilization Account—State		
27	Appropriation.	. . . . .	\$1,041,000
28	TOTAL APPROPRIATION.	. . . . .	(\$76,423,000)
29			<u>\$77,586,000</u>

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

32 (1) \$6,108,445 of the general fund—state appropriation for fiscal
33 year 2018 and \$6,102,905 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for implementing the food
35 assistance program as defined in RCW 43.23.290.

36 (2) Within amounts appropriated in this section, the department
37 shall provide to the department of health, where available, the
38 following data for all nutrition assistance programs that are funded

1 by the United States department of agriculture and administered by
2 the department. The department must provide the report for the
3 preceding federal fiscal year by February 1, 2018, and February 1,
4 2019. The report must provide:

5 (a) The number of people in Washington who are eligible for the
6 program;

7 (b) The number of people in Washington who participated in the
8 program;

9 (c) The average annual participation rate in the program;

10 (d) Participation rates by geographic distribution; and

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

12 (3) \$132,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for the department to fund an
14 aquaculture coordinator. The aquaculture coordinator will work with
15 shellfish growers and federal, state, and local governments to
16 improve the efficiency and effectiveness of shellfish farm
17 permitting. Many of those improvements will come directly from the
18 shellfish interagency permitting team recommendations.

19 (4) \$14,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely for implementing Substitute Senate Bill
21 No. 6055 (apple maggot/outdoor burning). If the bill is not enacted
22 by June 30, 2018, the amount provided in this subsection shall lapse.

23 (5) \$2,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$18,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for the implementation of
26 chapter 1, Laws of 2018 (ESSB 6091) (water availability).

27 (6) \$144,000 of the general fund—state appropriation for fiscal
28 year 2019 is provided solely for the implementation of Second
29 Engrossed Substitute House Bill No. 1508 (student meals and
30 nutrition). If the bill is not enacted by June 30, 2018, the amounts
31 provided in this subsection shall lapse.

32 (7) \$1,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$6,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for the implementation of
35 Engrossed House Bill No. 2957 (nonnative finfish escape). If the bill
36 is not enacted by June 30, 2018, the amounts provided in this
37 subsection shall lapse.

38 (8) \$100,000 of the general fund—state appropriation for fiscal
39 year 2019 is provided solely for the industrial hemp research pilot

1 program. Expenditures shall be prioritized for processing licenses
2 and expanding the industrial hemp market.

3 (9) \$534,000 of the state toxics control account—state
4 appropriation is provided solely for a monitoring program to study
5 the impacts of the use of imidacloprid as a means to control
6 burrowing shrimp and related costs. Department costs include, but are
7 not limited to, oversight and participation on a technical advisory
8 committee, technical assistance, planning, and reporting activities.
9 The department may also use the funding provided in this subsection,
10 as needed, for payments to Washington State University, the United
11 States department of agriculture, and outside consultants for their
12 participation in the monitoring program and technical advisory
13 committee. The department must report to the appropriate committees
14 of the legislature by June 1, 2019, on the progress of the monitoring
15 program.

16 (10) \$80,000 of the general fund—state appropriation for fiscal
17 year 2019 is provided solely for the department to provide to the
18 sheriff's departments of Ferry county and Stevens county to cooperate
19 with the department and the department of fish and wildlife on wolf
20 management activities. Of the amount provided in this subsection,
21 \$40,000 is for the Ferry county sheriff's department and \$40,000 is
22 for the Stevens county sheriff's department.

23 **Sec. 307.** 2018 c 299 s 310 (uncodified) is amended to read as
24 follows:

25 **FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM**

26	Pollution Liability Insurance Agency Underground	
27	Storage Tank Revolving Account—State	
28	Appropriation	\$90,000
29	Pollution Liability Insurance Program Trust Account—State	
30	Appropriation	(\$1,340,000)
31		<u>\$1,512,000</u>
32	TOTAL APPROPRIATION	(\$1,430,000)
33		<u>\$1,602,000</u>

34 **Sec. 308.** 2018 c 299 s 311 (uncodified) is amended to read as
35 follows:

36 **FOR THE PUGET SOUND PARTNERSHIP**

37	General Fund—State Appropriation (FY 2018)	\$2,783,000
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1	General Fund—State Appropriation (FY 2019)	\$2,526,000
2	General Fund—Federal Appropriation	(\$10,334,000)
3		<u>\$11,605,000</u>
4	Aquatic Lands Enhancement Account—State	
5	Appropriation	\$1,419,000
6	State Toxics Control Account—State Appropriation	\$721,000
7	Pension Funding Stabilization Account—State	
8	Appropriation	\$277,000
9	TOTAL APPROPRIATION	(\$18,060,000)
10		<u>\$19,331,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations: By October 15, 2018, the Puget Sound
13 partnership shall provide the governor a single, prioritized list of
14 state agency 2019-2021 capital and operating budget requests related
15 to Puget Sound restoration.

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2018 c 299 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund—State Appropriation (FY 2018)	\$1,688,000
General Fund—State Appropriation (FY 2019)	(\$2,145,000)
	<u>\$3,038,000</u>
Architects' License Account—State Appropriation	(\$1,203,000)
	<u>\$1,212,000</u>
Professional Engineers' Account—State Appropriation	(\$3,926,000)
	<u>\$4,102,000</u>
Real Estate Commission Account—State Appropriation	(\$11,547,000)
	<u>\$11,568,000</u>
Uniform Commercial Code Account—State Appropriation	(\$3,469,000)
	<u>\$1,700,000</u>
Real Estate Education Program Account—State Appropriation	\$276,000
Real Estate Appraiser Commission Account—State Appropriation	(\$1,870,000)
	<u>\$1,600,000</u>
Business and Professions Account—State Appropriation	(\$21,985,000)
	<u>\$20,800,000</u>
Real Estate Research Account—State Appropriation	\$415,000
Landscape Architects' License Account—State	\$4,000
Geologists' Account—State Appropriation	\$53,000
Derelict Vessel Removal Account—State Appropriation	(\$33,000)
	<u>\$34,000</u>
CPL Renewal Notification Account—State Appropriation	\$183,000
Firearms Range Account—State Appropriation	\$75,000
Pension Funding Stabilization Account—State Appropriation	\$95,000
TOTAL APPROPRIATION	(\$48,967,000)
	<u>\$46,843,000</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 (6) \$60,000 of the general fund—state appropriation for fiscal
22 year 2019 is provided solely to implement Senate Bill No. 6298
23 (domestic violence harassment/firearms). If the bill is not enacted
24 by June 30, 2018, the amount provided in this subsection shall lapse.

25 (7) \$265,000 of the general fund—state appropriation for fiscal
26 year 2019 is provided solely for implementation of Engrossed Second
27 Substitute House Bill No. 1439 (higher education student protection).
28 If the bill is not enacted by June 30, 2018, the amount provided in
29 this subsection shall lapse.

30 **Sec. 402.** 2018 c 299 s 402 (uncodified) is amended to read as
31 follows:

32 **FOR THE STATE PATROL**

33	General Fund—State Appropriation (FY 2018)	. . . . .	\$43,800,000
34	General Fund—State Appropriation (FY 2019)	. . . . .	(\$46,662,000)
35			<u>\$47,751,000</u>
36	General Fund—Federal Appropriation	. . . . .	\$16,255,000
37	General Fund—Private/Local Appropriation	. . . . .	\$3,085,000
38	Death Investigations Account—State Appropriation	. . . . .	\$8,207,000

1	County Criminal Justice Assistance Account—State	
2	Appropriation	((\$3,752,000))
3		<u>\$4,262,000</u>
4	Municipal Criminal Justice Assistance Account—State	
5	Appropriation	\$1,520,000
6	Fire Service Trust Account—State Appropriation	\$131,000
7	Vehicle License Fraud Account—State Appropriation	\$110,000
8	Disaster Response Account—State Appropriation	((\$12,400,000))
9		<u>\$17,375,000</u>
10	Fire Service Training Account—State Appropriation	\$11,121,000
11	Aquatic Invasive Species Management Account—State	
12	Appropriation	\$54,000
13	Pension Funding Stabilization Account—State	
14	Appropriation.	\$3,295,000
15	State Toxics Control Account—State Appropriation	\$548,000
16	Fingerprint Identification Account—State	
17	Appropriation	((\$15,745,000))
18		<u>\$15,370,000</u>
19	Dedicated Marijuana Account—State Appropriation	
20	(FY 2019).	\$2,803,000
21	TOTAL APPROPRIATION.	((\$169,488,000))
22		<u>\$175,687,000</u>

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

25 (1) \$270,000 of the fire service training account—state
26 appropriation is provided solely for two FTEs in the office of the
27 state director of fire protection to exclusively review K-12
28 construction documents for fire and life safety in accordance with
29 the state building code. It is the intent of this appropriation to
30 provide these services only to those districts that are located in
31 counties without qualified review capabilities.

32 (2) ((~~\$12,400,000~~)) \$17,375,000 of the disaster response account—
33 state appropriation is provided solely for Washington state fire
34 service resource mobilization costs incurred in response to an
35 emergency or disaster authorized under RCW 43.43.960 through
36 43.43.964. The state patrol shall submit a report quarterly to the
37 office of financial management and the legislative fiscal committees
38 detailing information on current and planned expenditures from this

1 account. This work shall be done in coordination with the military
2 department.

3 (3) \$700,000 of the fire service training account—state
4 appropriation is provided solely for the firefighter apprenticeship
5 training program.

6 (4) \$41,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$41,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for implementation of chapter
9 272, Laws of 2017 (E2SHB 1163) (domestic violence).

10 (5) \$125,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$116,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for implementation of chapter
13 261, Laws of 2017 (SHB 1501) (attempts to obtain firearms).

14 (6) \$104,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$90,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for implementation of chapter
17 308, Laws of 2017 (SHB 1863) (fire incident reporting system).

18 (7) \$3,421,000 of the fingerprint identification account—state
19 appropriation is provided solely for the completion of the state
20 patrol's plan to upgrade the criminal history system, and is subject
21 to the conditions, limitations, and review provided in section 724 of
22 this act.

23 (8) \$1,039,000 of the fingerprint identification account—state
24 appropriation is provided solely for the implementation of a sexual
25 assault kit tracking database project and is subject to the
26 conditions, limitations, and review provided in section 724 of this
27 act.

28 (9) \$495,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely for the costs related to the 1995 king
30 air maintenance. By June 30, 2019, the state patrol is directed to
31 sell the 1983 king air and proceeds generated from the sale of the
32 1983 king air must be deposited into the state patrol highway
33 account.

34 (10) \$2,803,000 of the dedicated marijuana account—state
35 appropriation for fiscal year 2019 is provided solely for the
36 Washington state patrol to create a new drug enforcement task force
37 for the purposes of controlling the potential diversion and illicit
38 production or distribution of marijuana and marijuana-related
39 products in Washington.

1 (11) \$100,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for the Washington state patrol to
3 coordinate with the governor's office of Indian affairs, federally
4 recognized tribal governments, and the U.S. justice department to
5 conduct a study to determine how to increase state criminal justice
6 protective and investigative resources for reporting and identifying
7 missing Native American women in the state.

8 (12) The amounts in this subsection are provided solely for
9 implementing the recommendations of the joint legislative task force
10 on sexual assault forensic examination, and for monitoring and
11 testing untested sexual assault examination kits.

12 (a) \$500,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for the state patrol to:

14 (i) Work in conjunction with state or nonstate entities to test
15 sexual assault kits pursuant to RCW 43.43.545;

16 (ii) Conduct forensic analysis of sexual assault examination kits
17 in the custody of the state patrol pursuant to chapter 247, Laws of
18 2015; and

19 (ii) Continue the task force.

20 (b) \$1,375,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$1,375,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for the implementation of
23 chapter 247, Laws of 2015 to address the state's backlog in sexual
24 assault examination kits. The seven full-time employees funded under
25 this subsection must work exclusively on processing sexual assault
26 exam kits through the crime laboratory division.

27 (c) Within amounts provided in this section, the Washington state
28 patrol shall adopt rules necessary to implement RCW 43.43.545.

(End of part)

PART V
EDUCATION

Sec. 501. 2018 c 299 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund—State Appropriation (FY 2018)	\$46,525,000
General Fund—State Appropriation (FY 2019)	(\$58,392,000)
	<u>\$59,475,000</u>
General Fund—Federal Appropriation	(\$83,422,000)
	<u>\$86,422,000</u>
General Fund—Private/Local Appropriation	\$8,049,000
Washington Opportunity Pathways Account—State Appropriation	\$584,000
Dedicated Marijuana Account—State Appropriation (FY 2018)	\$513,000
Dedicated Marijuana Account—State Appropriation (FY 2019)	\$515,000
Performance Audits of Government Account—State Appropriation	\$211,000
Pension Funding Stabilization Account—State Appropriation	\$2,126,000
TOTAL APPROPRIATION	(\$200,337,000)
	<u>\$204,420,000</u>

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

(1) \$9,612,000 of the general fund—state appropriation for fiscal year 2018 and \$10,236,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(a) The superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

(b) Districts shall report to the office of the superintendent of public instruction daily student unexcused absence data by school, using a uniform definition of unexcused absence as established by the superintendent.

1 (c) By September of each year, the office of the superintendent
2 of public instruction shall produce an annual status report on
3 implementation of the budget provisos in sections 501 and 513 of this
4 act. The status report of each proviso shall include, but not be
5 limited to, the following information: Purpose and objective, number
6 of state staff funded by the proviso, number of contractors, status
7 of proviso implementation, number of beneficiaries by year, list of
8 beneficiaries, a comparison of budgeted funding and actual
9 expenditures, other sources and amounts of funding, and proviso
10 outcomes and achievements.

11 (d) The superintendent of public instruction, in consultation
12 with the secretary of state, shall update the program prepared and
13 distributed under RCW 28A.230.150 for the observation of temperance
14 and good citizenship day to include providing an opportunity for
15 eligible students to register to vote at school.

16 (e) Districts shall annually report to the office of the
17 superintendent of public instruction on: (i) The annual number of
18 graduating high school seniors within the district earning the
19 Washington state seal of biliteracy provided in RCW 28A.300.575; and
20 (ii) the number of high school students earning competency-based high
21 school credits for world languages by demonstrating proficiency in a
22 language other than English. The office of the superintendent of
23 public instruction shall provide a summary report to the office of
24 the governor and the appropriate committees of the legislature by
25 December 1st of each year.

26 (2) \$1,423,000 of the general fund—state appropriation for fiscal
27 year 2018 (~~((and \$5,598,000 of the general fund state appropriation~~
28 ~~for fiscal year 2019 are))~~) is provided solely for activities
29 associated with the implementation of (~~(House Bill No. 2242)~~) chapter
30 13, Laws of 2017 3rd sp. sess. (fully funding the program of basic
31 education). Of these amounts:

32 (a) \$857,000 of the general fund—state appropriation for fiscal
33 year 2018 (~~((and \$857,000 of the general fund state appropriation for~~
34 ~~fiscal year 2019 are))~~) is provided solely for maintenance of the
35 apportionment system; and

36 (b) \$566,000 of the general fund—state appropriation for fiscal
37 year 2018 (~~((and \$3,741,000 of the general fund state appropriation~~
38 ~~for fiscal year 2019 are))~~) is provided solely for activities
39 associated with the implementation of (~~(House Bill No. 2242)~~) chapter

1 13, Laws of 2017 3rd sp. sess. (fully funding the program of basic
2 education) (~~;~~ and

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

10 (3) \$857,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for maintenance of the apportionment
12 system, including technical staff and the data governance working
13 group.

14 (4) \$4,741,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided solely for activities associated with the
16 implementation of chapter 13, Laws of 2017 3rd sp. sess. (fully
17 funding the program of basic education) of the amount provided in
18 this subsection (4), up to \$1,000,000 is provided for the office of
19 the superintendent of public instruction to review the use of local
20 revenues for compliance with enrichment requirements, including the
21 preballot approval of enrichment levy spending plans approved by the
22 superintendent of public instruction, and any supplemental contracts
23 entered into under RCW 28A.400.200.

24 (5)(a) \$911,000 of the general fund—state appropriation for
25 fiscal year 2018 and (~~\$911,000~~) \$961,000 of the general fund—state
26 appropriation for fiscal year 2019 are provided solely for the
27 operation and expenses of the state board of education, including
28 basic education assistance activities.

29 (b) \$322,000 of the Washington opportunity pathways account—state
30 appropriation is provided solely for the state board of education to
31 provide assistance to public schools other than common schools
32 authorized under chapter 28A.710 RCW.

33 (~~(4)~~) (6) \$3,512,000 of the general fund—state appropriation
34 for fiscal year 2018 and \$3,762,000 of the general fund—state
35 appropriation for fiscal year 2019 are provided solely to the
36 professional educator standards board for the following:

37 (a) \$1,115,000 in fiscal year 2018 and \$1,115,000 in fiscal year
38 2019 are for the operation and expenses of the Washington
39 professional educator standards board;

1 (b) \$2,372,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$2,372,000 of the general fund—state appropriation for
3 fiscal year 2019 are for grants to improve preservice teacher
4 training and for funding of alternate routes to certification
5 programs administered by the professional educator standards board.
6 Alternate routes programs include the pipeline for paraeducators
7 program, the retooling to teach conditional loan programs, and the
8 recruiting Washington teachers program. Priority shall be given to
9 programs that support bilingual teachers and English language
10 learners. Within this subsection (~~((4))~~) (6)(b), up to \$500,000 per
11 fiscal year is available for grants to public or private colleges of
12 education in Washington state to develop models and share best
13 practices for increasing the classroom teaching experience of
14 preservice training programs and \$250,000 is provided solely for the
15 pipeline for paraeducators conditional scholarship program for
16 scholarships for paraeducators to complete their associate of arts
17 degrees in subject matter shortage areas;

18 (c) \$25,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$25,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for the professional educator
21 standards board to develop educator interpreter standards and
22 identify interpreter assessments that are available to school
23 districts. Interpreter assessments should meet the following
24 criteria: (A) Include both written assessment and performance
25 assessment; (B) be offered by a national organization of professional
26 sign language interpreters and transliterators; and (C) be designed
27 to assess performance in more than one sign system or sign language.
28 The board shall establish a performance standard, defining what
29 constitutes a minimum assessment result, for each educational
30 interpreter assessment identified. The board shall publicize the
31 standards and assessments for school district use;

32 (d) Within the amounts appropriated in this section, sufficient
33 funding is provided for implementation of chapter 172, Laws of 2017
34 (SHB 1741) (educator prep. data/PESB).

35 (e) \$250,000 of the general fund—state appropriation for fiscal
36 year 2019 is provided solely to procure or develop professional
37 development for paraeducator subject matter certificates, in English
38 language learner and special education, and must align courses with
39 general paraeducator certificate professional development, including

1 any necessary changes or edits to general paraeducator certificate
2 online modules.

3 ~~((+5))~~ (7) \$266,000 of the general fund—state appropriation for
4 fiscal year 2018 and \$502,000 of the general fund—state appropriation
5 for fiscal year 2019 are provided solely for the implementation of
6 chapter 240, Laws of 2010, including staffing the office of equity
7 and civil rights.

8 ~~((+6))~~ (8)(a) \$61,000 of the general fund—state appropriation
9 for fiscal year 2018 and \$61,000 of the general fund—state
10 appropriation for fiscal year 2019 are provided solely for the
11 ongoing work of the education opportunity gap oversight and
12 accountability committee.

13 (b) Within amounts appropriated in this subsection ~~((+6))~~ (8),
14 the committee shall review the rules and procedures adopted by the
15 superintendent of public instruction and the state board of education
16 related to the minimum number of students to be used for public
17 reporting and federal accountability purposes. By October 30, 2018,
18 the committee shall report to the office of the superintendent of
19 public instruction, the state board of education, and the
20 appropriations committees of the legislature with its recommendations
21 for the state to meet the following goals: Increase the visibility of
22 the opportunity gap in schools with small subgroups of students; hold
23 schools and school districts accountable to individual student-level
24 support; and comply with federal student privacy laws.

25 ~~((+7))~~ (9) \$61,000 of the general fund—state appropriation for
26 fiscal year 2018 and \$61,000 of the general fund—state appropriation
27 for fiscal year 2019 are provided solely for the implementation of
28 chapter 380, Laws of 2009 (enacting the interstate compact on
29 educational opportunity for military children).

30 ~~((+8))~~ (10) \$262,000 of the Washington opportunity pathways
31 account—state appropriation is provided solely for activities related
32 to public schools other than common schools authorized under chapter
33 28A.710 RCW.

34 ~~((+9))~~ (11) \$1,802,000 of the general fund—state appropriation
35 for fiscal year 2018 and \$1,802,000 of the general fund—state
36 appropriation for fiscal year 2019 are provided solely for
37 implementing a comprehensive data system to include financial,
38 student, and educator data, including development and maintenance of
39 the comprehensive education data and research system (CEDARS).

1 ~~((10))~~ (12) \$50,000 of the general fund—state appropriation for
2 fiscal year 2018 and \$50,000 of the general fund—state appropriation
3 for fiscal year 2019 are provided solely for project citizen, a
4 program sponsored by the national conference of state legislatures
5 and the center for civic education to promote participation in
6 government by middle school students.

7 ~~((11))~~ (13) \$1,500,000 of the general fund—state appropriation
8 for fiscal year 2018 is provided solely for collaborative schools for
9 innovation and success authorized under chapter 53, Laws of 2012. The
10 office of the superintendent of public instruction shall award
11 \$500,000 for each collaborative school for innovation and success
12 selected for participation in the pilot program during 2012.

13 ~~((12))~~ (14) \$123,000 of the general fund—state appropriation
14 for fiscal year 2018 and \$123,000 of the general fund—state
15 appropriation for fiscal year 2019 are provided solely for
16 implementation of chapter 163, Laws of 2012 (foster care outcomes).
17 The office of the superintendent of public instruction shall annually
18 report each December on the implementation of the state's plan of
19 cross-system collaboration to promote educational stability and
20 improve education outcomes of foster youth.

21 ~~((13))~~ (15) \$250,000 of the general fund—state appropriation
22 for fiscal year 2018 ~~((is))~~ and \$250,000 of the general fund—state
23 appropriation for fiscal year 2019 are provided solely for
24 implementation of chapter 178, Laws of 2012 (open K-12 education
25 resources).

26 ~~((14))~~ (16) \$50,000 of the general fund—state appropriation for
27 fiscal year 2018 and \$50,000 of the general fund—state appropriation
28 for fiscal year 2019 are provided solely for school bullying and
29 harassment prevention activities.

30 ~~((15))~~ (17) \$14,000 of the general fund—state appropriation for
31 fiscal year 2018 and \$14,000 of the general fund—state appropriation
32 for fiscal year 2019 are provided solely for implementation of
33 chapter 242, Laws of 2013 (state-tribal education compacts).

34 ~~((16))~~ (18) \$62,000 of the general fund—state appropriation for
35 fiscal year 2018 and \$62,000 of the general fund—state appropriation
36 for fiscal year 2019 are provided solely for competitive grants to
37 school districts to increase the capacity of high schools to offer AP
38 computer science courses. In making grant allocations, the office of
39 the superintendent of public instruction must give priority to

1 schools and districts in rural areas, with substantial enrollment of
2 low-income students, and that do not offer AP computer science.
3 School districts may apply to receive either or both of the following
4 grants:

5 (a) A grant to establish partnerships to support computer science
6 professionals from private industry serving on a voluntary basis as
7 coinstructors along with a certificated teacher, including via
8 synchronous video, for AP computer science courses; or

9 (b) A grant to purchase or upgrade technology and curriculum
10 needed for AP computer science, as well as provide opportunities for
11 professional development for classroom teachers to have the requisite
12 knowledge and skills to teach AP computer science.

13 ~~((17))~~ (19) \$10,000 of the general fund—state appropriation for
14 fiscal year 2018 and \$10,000 of the general fund—state appropriation
15 for fiscal year 2019 are provided solely for the superintendent of
16 public instruction to convene a committee for the selection and
17 recognition of Washington innovative schools. The committee shall
18 select and recognize Washington innovative schools based on the
19 selection criteria established by the office of the superintendent of
20 public instruction, in accordance with chapter 202, Laws of 2011
21 (innovation schools—recognition) and chapter 260, Laws of 2011
22 (innovation schools and zones).

23 ~~((18))~~ (20) \$100,000 of the general fund—state appropriation
24 for fiscal year 2018 and \$100,000 of the general fund—state
25 appropriation for fiscal year 2019 are provided solely for the Mobius
26 science center to expand mobile outreach of science, technology,
27 engineering, and mathematics (STEM) education to students in rural,
28 tribal, and low-income communities.

29 ~~((19))~~ (21) \$131,000 of the general fund—state appropriation
30 for fiscal year 2018, \$131,000 of the general fund—state
31 appropriation for fiscal year 2019, and \$211,000 of the performance
32 audits of government account—state appropriation are provided solely
33 for the office of the superintendent of public instruction to perform
34 on-going program reviews of alternative learning experience programs,
35 dropout reengagement programs, and other high risk programs. Findings
36 from the program reviews will be used to support and prioritize the
37 office of the superintendent of public instruction outreach and
38 education efforts that assist school districts in implementing the
39 programs in accordance with statute and legislative intent, as well

1 as to support financial and performance audit work conducted by the
2 office of the state auditor.

3 ~~((20))~~ (22) \$150,000 of the general fund—state appropriation
4 for fiscal year 2018 and \$202,000 of the general fund—state
5 appropriation for fiscal year 2019 are provided solely for youth
6 suicide prevention activities.

7 ~~((21))~~ (23) \$31,000 of the general fund—state appropriation for
8 fiscal year 2018 and \$55,000 of the general fund—state appropriation
9 for fiscal year 2019 are provided solely for the office of the
10 superintendent of public instruction for statewide implementation of
11 career and technical education course equivalency frameworks
12 authorized under RCW 28A.700.070 for math and science. This may
13 include development of additional equivalency course frameworks,
14 course performance assessments, and professional development for
15 districts implementing the new frameworks.

16 ~~((22))~~ (24) \$2,541,000 of the general fund—state appropriation
17 for fiscal year 2018 and \$2,541,000 of the general fund—state
18 appropriation for fiscal year 2019 are provided solely for a corps of
19 nurses located at educational service districts, as determined by the
20 superintendent of public instruction, to be dispatched to the most
21 needy schools to provide direct care to students, health education,
22 and training for school staff.

23 ~~((23))~~ (25) \$300,000 of the general fund—state appropriation
24 for fiscal year 2018 and \$300,000 of the general fund—state
25 appropriation for fiscal year 2019 are provided solely for a
26 nonviolence and ethical leadership training and professional
27 development program provided by the institute for community
28 leadership.

29 ~~((24))~~ (26) \$1,221,000 of the general fund—state appropriation
30 for fiscal year 2018 and \$1,221,000 of the general fund—state
31 appropriation for fiscal year 2019 are provided solely for K-20
32 telecommunications network technical support in the K-12 sector to
33 prevent system failures and avoid interruptions in school utilization
34 of the data processing and video-conferencing capabilities of the
35 network. These funds may be used to purchase engineering and advanced
36 technical support for the network.

37 ~~((25))~~ (27) \$3,940,000 of the general fund—state appropriation
38 for fiscal year 2018 and \$3,940,000 of the general fund—state
39 appropriation for fiscal year 2019 are provided solely for the

1 Washington state achievers scholarship and Washington higher
2 education readiness program. The funds shall be used to: Support
3 community involvement officers that recruit, train, and match
4 community volunteer mentors with students selected as achievers
5 scholars; and to identify and reduce barriers to college for low-
6 income and underserved middle and high school students.

7 ~~((26))~~ (28) \$1,354,000 of the general fund—state appropriation
8 for fiscal year 2018 and \$1,454,000 of the general fund—state
9 appropriation for fiscal year 2019 are provided solely for
10 contracting with a college scholarship organization with expertise in
11 conducting outreach to students concerning eligibility for the
12 Washington college bound scholarship consistent with chapter 405,
13 Laws of 2007.

14 ~~((27))~~ (29) \$410,000 of the general fund—state appropriation
15 for fiscal year 2018, \$280,000 of the general fund—state
16 appropriation for fiscal year 2019, and \$1,028,000 of the dedicated
17 marijuana account—state appropriation are provided solely for dropout
18 prevention, intervention, and reengagement programs, including the
19 jobs for America's graduates (JAG) program, dropout prevention
20 programs that provide student mentoring, and the building bridges
21 statewide program. Students in the foster care system or who are
22 homeless shall be given priority by districts offering the jobs for
23 America's graduates program. The office of the superintendent of
24 public instruction shall convene staff representatives from high
25 schools to meet and share best practices for dropout prevention. Of
26 these amounts, \$513,000 of the dedicated marijuana account—state
27 appropriation for fiscal year 2018, and \$515,000 of the dedicated
28 marijuana account—state appropriation for fiscal year 2019 are
29 provided solely for the building bridges statewide program.

30 ~~((28))~~ (30) \$2,984,000 of the general fund—state appropriation
31 for fiscal year 2018 and \$2,590,000 of the general fund—state
32 appropriation for fiscal year 2019 are provided solely for the
33 Washington kindergarten inventory of developing skills. State funding
34 shall support statewide administration and district implementation of
35 the inventory under RCW 28A.655.080.

36 ~~((29))~~ (31) \$293,000 of the general fund—state appropriation
37 for fiscal year 2018 and \$293,000 of the general fund—state
38 appropriation for fiscal year 2019 are provided solely for the office
39 of the superintendent of public instruction to support district

1 implementation of comprehensive guidance and planning programs in
2 support of high-quality high school and beyond plans consistent with
3 RCW 28A.230.090.

4 ~~((+30+))~~ (32) \$4,894,000 of the general fund—state appropriation
5 for fiscal year 2018 and \$4,894,000 of the general fund—state
6 appropriation for fiscal year 2019 are provided solely for grants for
7 implementation of dual credit programs and subsidized advance
8 placement exam fees and international baccalaureate class fees and
9 exam fees for low-income students. For expenditures related to
10 subsidized exam fees, the superintendent shall report: The number of
11 students served; the demographics of the students served; and how the
12 students perform on the exams.

13 ~~((+31+))~~ (33) \$100,000 of the general fund—state appropriation
14 for fiscal year 2018 and \$100,000 of the general fund—state
15 appropriation for fiscal year 2019 are provided solely for the
16 superintendent of public instruction to convene a work group to build
17 upon the work of the social emotional learning work group established
18 under section 501(34), chapter 4, Laws of 2015 3rd sp. sess. The
19 members of the work group must include representatives from the same
20 organizations that were represented on the 2015 work group, as well
21 as five representatives of diverse communities and a statewide
22 expanded learning opportunities intermediary. The work group must
23 identify and articulate developmental indicators for each grade level
24 for each of the social emotional learning benchmarks, solicit
25 feedback from stakeholders, and develop a model of best practices or
26 guidance for schools on implementing the benchmarks and indicators.
27 The work group shall submit recommendations to the education
28 committees of the legislature and the office of the governor by June
29 30, 2019.

30 ~~((+32+))~~ (34) \$117,000 of the general fund—state appropriation
31 for fiscal year 2018 and \$117,000 of the general fund—state
32 appropriation for fiscal year 2019 are provided solely for
33 implementation of chapter 3 (SHB No. 1813), Laws of 2015 1st sp.
34 sess. (computer science).

35 ~~((+33+))~~ (35) \$450,000 of the general fund—state appropriation
36 for fiscal year 2018 and \$1,450,000 of the general fund—state
37 appropriation for fiscal year 2019 are provided solely for
38 implementation of chapter 236, Laws of 2017 (SHB 1445) (dual
39 language/early learning & K-12). In selecting recipients of the K-12

1 dual language grant, the superintendent of public instruction must
2 prioritize districts that received grants under section 501(36),
3 chapter 4, Laws of 2015 3rd sp. sess. Of the amounts in this
4 subsection, up to \$950,000 of the general fund—state appropriation
5 for fiscal year 2019 is for implementation of the K-12 dual language
6 grant program established in RCW 28A.630.095 and \$500,000 of the
7 general fund—state appropriation for fiscal year 2019 is provided
8 solely for implementation of the bilingual educator initiative pilot
9 project established under RCW 28A.180.120.

10 ~~((34))~~ (36) \$125,000 of the general fund—state appropriation
11 for fiscal year 2018 and \$125,000 of the general fund—state
12 appropriation for fiscal year 2019 are provided solely for the Kip
13 Tokuda memorial Washington civil liberties public education program.
14 The superintendent of public instruction shall award grants
15 consistent with RCW 28A.300.410.

16 ~~((35))~~ (37) \$1,000,000 of the general fund—state appropriation
17 for fiscal year 2018 and \$1,000,000 of the general fund—state
18 appropriation for fiscal year 2019 are provided solely for the
19 computer science and education grant program to support the following
20 three purposes: Train and credential teachers in computer sciences;
21 provide and upgrade technology needed to learn computer science; and,
22 for computer science frontiers grants to introduce students to and
23 engage them in computer science. The office of the superintendent of
24 public instruction must use the computer science learning standards
25 adopted pursuant to chapter 3, Laws of 2015 (computer science) in
26 implementing the grant, to the extent possible. Additionally, grants
27 provided for the purpose of introducing students to computer science
28 are intended to support innovative ways to introduce and engage
29 students from historically underrepresented groups, including girls,
30 low-income students, and minority students, to computer science and
31 to inspire them to enter computer science careers. Grant funds for
32 the computer science and education grant program may be expended only
33 to the extent that they are equally matched by private sources for
34 the program, including gifts, grants, or endowments.

35 ~~((36))~~ (38) \$2,145,000 of the general fund—state appropriation
36 for fiscal year 2018 and \$2,145,000 of the general fund—state
37 appropriation for fiscal year 2019 are provided solely for a contract
38 with a nongovernmental entity or entities for demonstration sites to
39 improve the educational outcomes of students who are dependent

1 pursuant to chapter 13.34 RCW pursuant to chapter 71, Laws of 2016
2 (Fourth Substitute House Bill No. 1999, foster youth edu. outcomes).

3 (a) Of the amount provided in this subsection, \$446,000 of the
4 general fund—state appropriation for fiscal year 2018 and \$446,000 of
5 the general fund—state appropriation for fiscal year 2019 are
6 provided solely for the demonstration site established pursuant to
7 the 2013-2015 omnibus appropriations act, section 202(10), chapter 4,
8 Laws of 2013, 2nd sp. sess.

9 (b) Of the amount provided in this subsection, \$1,015,000 of the
10 general fund—state appropriation for fiscal year 2018 and \$1,015,000
11 of the general fund—state appropriation for fiscal year 2019 are
12 provided solely for the demonstration site established pursuant to
13 the 2015-2017 omnibus appropriations act, section 501(43)(b), chapter
14 4, Laws of 2015, 3rd sp. sess., as amended.

15 (~~((37))~~) (39) \$1,000,000 of the general fund—state appropriation
16 for fiscal year 2018 and \$1,000,000 of the general fund—state
17 appropriation for fiscal year 2019 are provided solely for
18 implementation of chapter 157, Laws of 2016 (Third Substitute House
19 Bill No. 1682, homeless students).

20 (~~((38))~~) (40) \$753,000 of the general fund—state appropriation
21 for fiscal year 2018 and \$703,000 of the general fund—state
22 appropriation for fiscal year 2019 are provided solely for
23 implementation of chapter 72, Laws of 2016 (Fourth Substitute House
24 Bill No. 1541, educational opportunity gap).

25 (~~((39))~~) (41) \$57,000 of the general fund—state appropriation for
26 fiscal year 2018 and \$15,000 of the general fund—state appropriation
27 for fiscal year 2019 are provided solely for implementation of
28 chapter 240, Laws of 2016 (Engrossed Senate Bill No. 6620, school
29 safety).

30 (~~((40))~~) (42) \$186,000 of the general fund—state appropriation
31 for fiscal year 2018 and \$178,000 of the general fund—state
32 appropriation for fiscal year 2019 are provided solely for
33 implementation of chapter 291, Laws of 2017 (2SHB 1170) (truancy
34 reduction efforts).

35 (~~((41))~~) (43) \$984,000 of the general fund—state appropriation
36 for fiscal year 2018 and \$912,000 of the general fund—state
37 appropriation for fiscal year 2019 are provided solely for
38 implementation of chapter 237, Laws of 2017 (ESHB 1115)
39 (paraeducators).

1 ~~((42))~~ (44) \$204,000 of the general fund—state appropriation
2 for fiscal year 2018, \$204,000 of the general fund—state
3 appropriation for fiscal year 2019, and \$408,000 of the general fund—
4 federal appropriation are provided solely for implementation of
5 chapter 202, Laws of 2017 (E2SHB 1713) (children's mental health).

6 ~~((43))~~ (45) \$300,000 of the general fund—state appropriation
7 for fiscal year 2018 and \$300,000 of the general fund—state
8 appropriation for fiscal year 2019 are provided solely for grants to
9 middle and high schools to support international baccalaureate
10 programs in high poverty schools. Of these amounts:

11 (a) \$200,000 of the appropriation for fiscal year 2018 and
12 \$200,000 of the appropriation for fiscal year 2019 are provided
13 solely for grants to high schools that have an existing international
14 baccalaureate program and enrollments of seventy percent or more
15 students eligible for free or reduced-price meals in the prior school
16 year to implement and sustain an international baccalaureate program;
17 and

18 (b) \$100,000 of the appropriation for fiscal year 2018 and
19 \$100,000 of the appropriation for fiscal year 2019 are provided
20 solely for grants to middle schools with students that will attend a
21 qualifying high poverty high school that has received a grant under
22 (a) of this subsection to support implementation of a middle school
23 international baccalaureate program.

24 ~~((44))~~ (46) \$240,000 of the general fund—state appropriation
25 for fiscal year 2018 is provided solely for a grant to the Pacific
26 science center to continue providing science on wheels activities in
27 schools and other community settings. Funding is provided to assist
28 with upgrading three planetarium computers and software and to assist
29 with purchasing and outfitting three vans with new traveling
30 planetarium exhibits.

31 ~~((45))~~ (47) \$40,000 of the general fund—state appropriation for
32 fiscal year 2018 and \$60,000 of the general fund—state appropriation
33 for fiscal year 2019 are provided solely for the office of the
34 superintendent of public instruction to contract for consulting
35 services for a study of the current state pupil transportation
36 funding formula. The study must evaluate the extent to which the
37 formula corresponds to the actual costs of providing pupil
38 transportation to and from school for the state's statutory program
39 of basic education, including local school district characteristics

1 such as unique geographic constraints, and transportation for
2 students who are identified as homeless under the McKinney-Vento act.
3 Based on the results of this evaluation, the superintendent must make
4 recommendations for any necessary revisions to the state's pupil
5 transportation formula, taking into account the statutory program of
6 basic education, promotion of the efficient use of state and local
7 resources, and continued local district control over the management
8 of pupil transportation systems. The superintendent must make
9 recommendations to clarify the sources of funding that districts can
10 use to transport homeless students to and from school.

11 ~~((46))~~ (48) \$440,000 of the general fund—state appropriation
12 for fiscal year 2018 and \$270,000 of the general fund—state
13 appropriation for fiscal year 2019 are provided solely for the office
14 of the superintendent of public instruction for the procurement and
15 implementation of a reporting and data aggregation system that will
16 connect state- and district-level information to secure and protect
17 district, school and student information in order to close student
18 performance gaps by assisting school districts in data-driven
19 implementation of strategies and supports that are responsive of
20 student needs.

21 ~~((47))~~ (49) \$150,000 of the general fund—state appropriation
22 for fiscal year 2018 and \$450,000 of the general fund—state
23 appropriation for fiscal year 2019 are provided for the
24 superintendent of public instruction to develop and implement a
25 statewide accountability system to address absenteeism and to improve
26 student graduation rates. The system must use data to engage schools
27 and districts in identifying successful strategies and systems that
28 are based on federal and state accountability measures. Funding may
29 also support the effort to provide assistance about successful
30 strategies and systems to districts and schools that are
31 underperforming in the targeted student subgroups.

32 ~~((48))~~ (50) \$178,000 of the general fund—state appropriation
33 for fiscal year 2018 and \$179,000 of the general fund—state
34 appropriation for fiscal year 2019 are provided solely for
35 implementation of chapter 180, Laws of 2017 (2SSB 5258) (Washington
36 Aim program).

37 ~~((49))~~ (51) \$97,000 of the general fund—state appropriation for
38 fiscal year 2019 is provided solely for implementation of Substitute
39 House Bill No. 1539 (sexual abuse of students). If the bill is not

1 enacted by June 30, 2018, the amount provided in this subsection
2 shall lapse.

3 ~~((50))~~ (52) \$40,000 of the general fund—state appropriation for
4 fiscal year 2019 is provided solely for implementation of Engrossed
5 Second Substitute House Bill No. 2779 (children's mental health
6 services). If the bill is not enacted by June 30, 2018, the amount
7 provided in this subsection shall lapse.

8 ~~((52)---\$230,000)~~ (53) \$380,000 of the general fund—state
9 appropriation for fiscal year 2019 is provided solely for
10 implementation of Second Substitute House Bill No. 1896 (civics
11 education). If the bill is not enacted by June 30, 2018, the amount
12 provided in this subsection shall lapse.

13 ~~((53))~~ (54) Within amounts appropriated in this section, the
14 office of the superintendent of public instruction and the state
15 board of education shall adopt a rule that the minimum number of
16 students to be used for public reporting and federal accountability
17 purposes is ten.

18 ~~((54))~~ (55) \$335,000 of the general fund—state appropriation
19 for fiscal year 2019 is provided solely for implementation of
20 Engrossed Second Substitute House Bill No. 1600 (career and college
21 readiness). If the bill is not enacted by June 30, 2018, the amount
22 provided in this subsection shall lapse.

23 ~~((55))~~ (56) \$100,000 of the general fund—state appropriation
24 for fiscal year 2019 is provided solely to the office of the
25 superintendent of public instruction for programs to combat bias. The
26 office of the superintendent of public instruction must contract with
27 a nonprofit organization that supports Washington teachers in
28 implementing lessons of the Holocaust for the creation of a
29 comprehensive online encyclopedia of local Holocaust education
30 resources. The online encyclopedia must include teaching trunk
31 materials, Anne Frank materials, genocide resources, and video
32 testimonies.

33 ~~((56))~~ (57) \$200,000 of the general fund—state appropriation
34 for fiscal year 2019 is provided for the office of the superintendent
35 of public instruction to meet statutory obligations related to the
36 provision of medically and scientifically accurate, age-appropriate,
37 and inclusive sexual health education as authorized by chapter 206,
38 Laws of 1988 (AIDS omnibus act) and chapter 265, Laws of 2007
39 (healthy youth act). The office of the superintendent of public

1 instruction must submit a report to the appropriate policy and fiscal
2 committees of the legislature by June 30, 2019, outlining
3 accomplishments and deliverables achieved in fiscal year 2019.

4 ~~((57))~~ (58) The office of the superintendent of public
5 instruction, in collaboration with the department of social and
6 health services developmental disabilities administration and
7 division of vocational rehabilitation, shall explore the development
8 of an implementation plan to build statewide capacity among school
9 districts to improve transition planning for students in special
10 education who meet criteria for services from the developmental
11 disabilities administration, and shall provide all school districts
12 with an opportunity to participate. The plan shall be submitted in
13 compliance with RCW 43.01.036 by November 1, 2018, and the final
14 report must be submitted by November 1, 2020, to the governor and
15 appropriate legislative committees.

16 ~~((58))~~ (59) \$40,000 of the general fund—state appropriation for
17 fiscal year 2019 is provided solely for the legislative youth
18 advisory council. The council of statewide members advises
19 legislators on issues of importance to youth.

20 ~~((59))~~ (60) \$100,000 of the general fund—state appropriation
21 for fiscal year 2019 is provided solely to contract with a nonprofit,
22 civil rights and human relations organization with expertise in
23 tracking and responding to hate incidents in schools, and with
24 experience implementing programs designed to empower students to
25 improve upon and sustain school climates that combat bias and
26 bullying. The contract must expand the organization's current anti-
27 bias programs to eight public schools across Washington, with at
28 least half of the public schools located east of the crest of the
29 Cascade mountains. Amounts provided in this subsection may be used to
30 support preprogram planning, trainings, guidance, surveys, materials,
31 and the hiring of a part-time contractor to support data tracking.

32 ~~((60))~~ (61) \$120,000 of the general fund—state appropriation
33 for fiscal year 2019 is provided solely for implementation of Second
34 Substitute Senate Bill No. 6162 (dyslexia). If the bill is not
35 enacted by June 30, 2018, the amount provided in this subsection
36 shall lapse.

37 ~~((61))~~ (62) Within the amounts appropriated in this section the
38 office of the superintendent of public instruction shall ensure
39 career and technical education courses are aligned with high-demand,

1 high-wage jobs. The superintendent shall verify that the current list
2 of career and technical education courses meets the criteria
3 established in RCW 28A.700.020(2). The superintendent shall remove
4 from the list any career and technical education course that no
5 longer meets such criteria.

6 ~~((62))~~ (63) \$240,000 of the general fund—state appropriation
7 for fiscal year 2019 is provided solely for the office of native
8 education to increase services to tribes, including but not limited
9 to, providing assistance to tribes and school districts to implement
10 Since Time Immemorial, applying to become tribal compact schools,
11 convening the Washington state native American education advisory
12 committee, and extending professional learning opportunities to
13 provide instruction in tribal history, culture, and government.

14 ~~((63))~~ (64) \$10,000 of the general fund—state appropriation for
15 fiscal year 2019 is provided solely for the civic education travel
16 grant program pursuant to RCW 28A.300.480.

17 ~~((64))~~ (65) Within the amounts appropriated in this section,
18 the office of the superintendent of public instruction may develop
19 recommendations to amend long-standing provisos within Part V of the
20 omnibus operating budget. The office of the superintendent of public
21 instruction shall submit recommendations, to include rationale why
22 each proposed change should be made, to the office of financial
23 management and the fiscal committees of the legislature by July 1,
24 2018.

25 ~~((65))~~ (66) Within the amounts appropriated in this section,
26 the office of the superintendent of public instruction shall
27 coordinate with school districts and educational service districts
28 that contract for transportation bus services and report the
29 following information to the appropriate fiscal committees of the
30 legislature by December 1, 2018:

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

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

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

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

4 (e) A copy of the transportation contract.

5 ~~((66))~~ (67) Within the amounts appropriated in this section,
6 the office of the superintendent of public instruction shall:

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

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

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

15 ~~((67))~~ (68) \$900,000 of the general fund—state appropriation
16 for fiscal year 2019 is provided solely for the office of the
17 superintendent of public instruction to leverage federal funding from
18 the e-rate program operated by the universal service administrative
19 company, under the federal communications commission. Funding is
20 provided to enable more student access to digital learning.

21 ~~((68))~~ (69) \$4,000,000 of the general fund—state appropriation
22 for fiscal year 2019 is provided solely for the office of the
23 superintendent of public instruction to provide grants to school
24 districts and educational service districts for science teacher
25 training in the next generation science standards including training
26 in the climate science standards. At a minimum, school districts
27 shall ensure that teachers in one grade level in each elementary,
28 middle, and high school participate in this science training. Of the
29 amount appropriated \$1,000,000 is provided solely for community based
30 nonprofits to partner with public schools for next generation science
31 standards.

32 ~~((69))~~ (70) \$722,000 of the general fund—state appropriation
33 for fiscal year 2019 is provided solely for the superintendent of
34 public instruction to provide grants to educational service districts
35 and school districts to develop or expand regional safety programs to
36 address student safety. At a minimum, programs must implement a
37 multitier threat assessment system; develop a process for notifying
38 schools, including private schools, of safety emergencies; and make

1 recommendations or implement appropriate safety technology consistent
2 with regional need.

3 ~~((70))~~ (71) \$131,000 of the general fund—state appropriation
4 for fiscal year 2019 is provided solely for implementation of
5 Substitute House Bill No. 2685 (high school preapprenticeships). If
6 the bill is not enacted by June 30, 2018, the amount provided in this
7 subsection shall lapse.

8 (72) \$1,309,000 of the general fund—state appropriation for
9 fiscal year 2019 is provided solely for the continued development and
10 implementation of a school district accounting and reporting system
11 that will collect school district and school level expenditure
12 information by revenue source and is subject to the conditions,
13 limitations, and review provided in section 713, chapter 299, Laws of
14 2018.

15 **Sec. 502.** 2018 c 299 s 502 (uncodified) is amended to read as
16 follows:

17 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL**
18 **APPORTIONMENT**

19	General Fund—State Appropriation (FY 2018)	. . . . .	\$7,239,334,000
20	General Fund—State Appropriation (FY 2019)	. . . . .	(\$7,142,294,000)
21			<u>\$7,132,490,000</u>
22	Education Legacy Trust Account—State Appropriation	. . . . .	\$595,730,000
23	TOTAL APPROPRIATION.	. . . . .	(\$14,977,358,000)
24			<u>\$14,967,554,000</u>

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

27 (1)(a) Each general fund fiscal year appropriation includes such
28 funds as are necessary to complete the school year ending in the
29 fiscal year and for prior fiscal year adjustments.

30 (b) For the 2017-18 and 2018-19 school years, the superintendent
31 shall allocate general apportionment funding to school districts as
32 provided in the funding formulas and salary allocations in sections
33 502 and 503 of this act, excluding (c) of this subsection, and in
34 House Bill No. 2242 (fully funding the program of basic education).

35 (c) From July 1, 2017, to August 31, 2017, the superintendent
36 shall allocate general apportionment funding to school districts
37 programs as provided in sections 502 and 503, chapter 4, Laws of 2015
38 3rd sp. sess., as amended.

1 (d) The enrollment of any district shall be the annual average
2 number of full-time equivalent students and part-time students as
3 provided in RCW 28A.150.350, enrolled on the fourth day of school in
4 September and on the first school day of each month October through
5 June, including students who are in attendance pursuant to RCW
6 28A.335.160 and 28A.225.250 who do not reside within the servicing
7 school district. Any school district concluding its basic education
8 program in May must report the enrollment of the last school day held
9 in May in lieu of a June enrollment.

10 (e)(i) Funding provided in part V of this act is sufficient to
11 provide each full-time equivalent student with the minimum hours of
12 instruction required under RCW 28A.150.220.

13 (ii) The office of the superintendent of public instruction shall
14 align the agency rules defining a full-time equivalent student with
15 the increase in the minimum instructional hours under RCW
16 28A.150.220, as amended by the legislature in 2014.

17 (f) The superintendent shall adopt rules requiring school
18 districts to report full-time equivalent student enrollment as
19 provided in RCW 28A.655.210.

20 (g) For the 2017-18 and 2018-19 school years, school districts
21 must report to the office of the superintendent of public instruction
22 the monthly actual average district-wide class size across each grade
23 level of kindergarten, first grade, second grade, and third grade
24 classes. The superintendent of public instruction shall report this
25 information to the education and fiscal committees of the house of
26 representatives and the senate by September 30th of each year.

27 (2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

28 Allocations for certificated instructional staff salaries for the
29 2017-18 and 2018-19 school years are determined using formula-
30 generated staff units calculated pursuant to this subsection.

31 (a) Certificated instructional staff units, as defined in RCW
32 28A.150.410, shall be allocated to reflect the minimum class size
33 allocations, requirements, and school prototypes assumptions as
34 provided in RCW 28A.150.260. The superintendent shall make
35 allocations to school districts based on the district's annual
36 average full-time equivalent student enrollment in each grade.

37 (b) Additional certificated instructional staff units provided in
38 this subsection (2) that exceed the minimum requirements in RCW

1 28A.150.260 are enhancements outside the program of basic education,
2 except as otherwise provided in this section.

3 (c) (i) The superintendent shall base allocations for each level
4 of prototypical school on the following regular education average
5 class size of full-time equivalent students per teacher, except as
6 provided in (c) (ii) of this subsection:

7 General education class size:

8	Grade	RCW 28A.150.260	2017-18	2018-19
9			School Year	School Year
10	Grade K		17.00	17.00
11	Grade 1		17.00	17.00
12	Grade 2		17.00	17.00
13	Grade 3		17.00	17.00
14	Grade 4		27.00	27.00
15	Grades 5-6		27.00	27.00
16	Grades 7-8		28.53	28.53
17	Grades 9-12		28.74	28.74

18 The superintendent shall base allocations for: Laboratory science
19 average class size as provided in RCW 28A.150.260; career and
20 technical education (CTE) class size of 23.0; and skill center
21 program class size of 20.0.

22 (ii) For each level of prototypical school at which more than
23 fifty percent of the students were eligible for free and reduced-
24 price meals in the prior school year, the superintendent shall
25 allocate funding based on the following average class size of full-
26 time equivalent students per teacher:

27 General education class size in high poverty schools:

28	Grade	RCW 28A.150.260	2017-18	2018-19
29			School Year	School Year
30	Grade K		17.00	17.00
31	Grade 1		17.00	17.00
32	Grade 2		17.00	17.00
33	Grade 3		17.00	17.00
34	Grade 4		27.00	27.00

1	Grades 5-6	27.00	27.00
2	Grades 7-8	28.53	28.53
3	Grades 9-12	28.74	28.74

4 (iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher
5 planning period, expressed as a percentage of a teacher work day, is
6 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

7 (iv) Advanced placement and international baccalaureate courses
8 are funded at the same class size assumptions as general education
9 schools in the same grade; and

10 (d)(i) Funding for teacher librarians, school nurses, social
11 workers, school psychologists, and guidance counselors is allocated
12 based on the school prototypes as provided in RCW 28A.150.260 and is
13 considered certificated instructional staff, except as provided in
14 (d)(ii) of this subsection.

15 (ii) Students in approved career and technical education and
16 skill center programs generate certificated instructional staff units
17 to provide for the services of teacher librarians, school nurses,
18 social workers, school psychologists, and guidance counselors at the
19 following combined rate per 1000 student full-time equivalent
20 enrollment:

21		2017-18	2018-19
22		School Year	School Year
23	Career and Technical Education	3.07	3.07
24	Skill Center	3.41	3.41

25 (3) ADMINISTRATIVE STAFF ALLOCATIONS

26 (a) Allocations for school building-level certificated
27 administrative staff salaries for the 2017-18 and 2018-19 school
28 years for general education students are determined using the formula
29 generated staff units calculated pursuant to this subsection. The
30 superintendent shall make allocations to school districts based on
31 the district's annual average full-time equivalent enrollment in each
32 grade. The following prototypical school values shall determine the
33 allocation for principals, assistance principals, and other
34 certificated building level administrators:

35 Prototypical School Building:

36	Elementary School	1.253
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1	Middle School	1.353
2	High School	1.880

3 (b) Students in approved career and technical education and skill
4 center programs generate certificated school building-level
5 administrator staff units at per student rates that are a multiple of
6 the general education rate in (a) of this subsection by the following
7 factors: Career and Technical Education students. 1.025
8 Skill Center students. 1.198

9 (4) CLASSIFIED STAFF ALLOCATIONS

10 Allocations for classified staff units providing school building-
11 level and district-wide support services for the 2017-18 and 2018-19
12 school years are determined using the formula-generated staff units
13 provided in RCW 28A.150.260 and pursuant to this subsection, and
14 adjusted based on each district's annual average full-time equivalent
15 student enrollment in each grade.

16 (5) CENTRAL OFFICE ALLOCATIONS

17 In addition to classified and administrative staff units
18 allocated in subsections (3) and (4) of this section, classified and
19 administrative staff units are provided for the 2017-18 and 2018-19
20 school years for the central office administrative costs of operating
21 a school district, at the following rates:

22 (a) The total central office staff units provided in this
23 subsection (5) are calculated by first multiplying the total number
24 of eligible certificated instructional, certificated administrative,
25 and classified staff units providing school-based or district-wide
26 support services, as identified in RCW 28A.150.260(6)(b) and the
27 increased allocations provided pursuant to subsections (2) and (4) of
28 this section, by 5.3 percent.

29 (b) Of the central office staff units calculated in (a) of this
30 subsection, 74.53 percent are allocated as classified staff units, as
31 generated in subsection (4) of this section, and 25.47 percent shall
32 be allocated as administrative staff units, as generated in
33 subsection (3) of this section.

34 (c) Staff units generated as enhancements outside the program of
35 basic education to the minimum requirements of RCW 28A.150.260, and
36 staff units generated by skill center and career-technical students,
37 are excluded from the total central office staff units calculation in
38 (a) of this subsection.

1 (d) For students in approved career-technical and skill center
2 programs, central office classified units are allocated at the same
3 staff unit per student rate as those generated for general education
4 students of the same grade in this subsection (5), and central office
5 administrative staff units are allocated at staff unit per student
6 rates that exceed the general education rate established for students
7 in the same grade in this subsection (5) by 12.29 percent in the
8 2017-18 school year and 12.29 percent in the 2018-19 school year for
9 career and technical education students, and 17.61 percent in the
10 2017-18 school year and 17.61 percent in the 2018-19 school year for
11 skill center students.

12 (6) FRINGE BENEFIT ALLOCATIONS

13 Fringe benefit allocations shall be calculated at a rate of 23.49
14 percent in the 2017-18 school year and ((~~23.65~~) 23.70) percent in the
15 2018-19 school year for certificated salary allocations provided
16 under subsections (2), (3), and (5) of this section, and a rate of
17 24.60 percent in the 2017-18 school year and ((~~24.67~~) 24.70) percent
18 in the 2018-19 school year for classified salary allocations provided
19 under subsections (4) and (5) of this section.

20 (7) INSURANCE BENEFIT ALLOCATIONS

21 Insurance benefit allocations shall be calculated at the
22 maintenance rate specified in section 504 of this act, based on the
23 number of benefit units determined as follows:

24 (a) The number of certificated staff units determined in
25 subsections (2), (3), and (5) of this section; and

26 (b) The number of classified staff units determined in
27 subsections (4) and (5) of this section multiplied by 1.152. This
28 factor is intended to adjust allocations so that, for the purpose of
29 distributing insurance benefits, full-time equivalent classified
30 employees may be calculated on the basis of 1,440 hours of work per
31 year, with no individual employee counted as more than one full-time
32 equivalent.

33 (8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

34 Funding is allocated per annual average full-time equivalent
35 student for the materials, supplies, and operating costs (MSOC)
36 incurred by school districts, consistent with the requirements of RCW
37 28A.150.260.

38 (a)(i) MSOC funding for general education students are allocated
39 at the following per student rates:

MSOC RATES/STUDENT FTE

MSOC Component	2017-18 School Year	2018-19 School Year
Technology	\$130.76	\$133.24
Utilities and Insurance	\$355.30	\$362.05
Curriculum and Textbooks	\$140.39	\$143.06
Other Supplies and Library Materials	\$298.05	\$303.71
Instructional Professional Development for Certificated and Classified Staff	\$21.71	\$22.12
Facilities Maintenance	\$176.01	\$179.36
Security and Central Office	\$121.94	\$124.26
TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$1,244.16	\$1,267.80

(ii) For the 2017-18 school year and 2018-19 school year, as part of the budget development, hearing, and review process required by chapter 28A.505 RCW, each school district must disclose: (A) The amount of state funding to be received by the district under (a) and (d) of this subsection (8); (B) the amount the district proposes to spend for materials, supplies, and operating costs; (C) the difference between these two amounts; and (D) if (A) of this subsection (8)(a)(ii) exceeds (B) of this subsection (8)(a)(ii), any proposed use of this difference and how this use will improve student achievement.

(b) Students in approved skill center programs generate per student FTE MSOC allocations of \$1,472.01 for the 2017-18 school year and \$1,499.98 for the 2018-19 school year.

(c) Students in approved exploratory and preparatory career and technical education programs generate per student FTE MSOC allocations of \$1,472.01 for the 2017-18 school year and \$1,499.98 for the 2018-19 school year.

(d) Students in grades 9-12 generate per student FTE MSOC allocations in addition to the allocations provided in (a) through (c) of this subsection at the following rate:

MSOC Component	2017-18 School Year	2018-19 School Year
----------------	------------------------	------------------------

1	Technology	\$37.60	\$38.31
2	Curriculum and Textbooks	\$41.02	\$41.80
3	Other Supplies and Library Materials	\$85.46	\$87.08
4	Instructional Professional Development for Certified	\$6.83	\$6.97
5	and Classified Staff		
6	TOTAL GRADE 9-12 BASIC EDUCATION MSOC/STUDENT FTE	\$170.91	\$174.16

7 (9) SUBSTITUTE TEACHER ALLOCATIONS

8 For the 2017-18 and 2018-19 school years, funding for substitute
9 costs for classroom teachers is based on four (4) funded substitute
10 days per classroom teacher unit generated under subsection (2) of
11 this section, at a daily substitute rate of \$151.86.

12 (10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

13 (a) Amounts provided in this section from July 1, 2017, to August
14 31, 2017, are adjusted to reflect provisions of chapter 4, Laws of
15 2015 3rd sp. sess., as amended (allocation of funding for students
16 enrolled in alternative learning experiences).

17 (b) The superintendent of public instruction shall require all
18 districts receiving general apportionment funding for alternative
19 learning experience (ALE) programs as defined in WAC 392-121-182 to
20 provide separate financial accounting of expenditures for the ALE
21 programs offered in district or with a provider, including but not
22 limited to private companies and multidistrict cooperatives, as well
23 as accurate, monthly headcount and FTE enrollment claimed for basic
24 education, including separate counts of resident and nonresident
25 students.

26 (11) DROPOUT REENGAGEMENT PROGRAM

27 The superintendent shall adopt rules to require students claimed
28 for general apportionment funding based on enrollment in dropout
29 reengagement programs authorized under RCW 28A.175.100 through
30 28A.175.115 to meet requirements for at least weekly minimum
31 instructional contact, academic counseling, career counseling, or
32 case management contact. Districts must also provide separate
33 financial accounting of expenditures for the programs offered by the
34 district or under contract with a provider, as well as accurate
35 monthly headcount and full-time equivalent enrollment claimed for
36 basic education, including separate enrollment counts of resident and
37 nonresident students.

1 (12) ALL DAY KINDERGARTEN PROGRAMS

2 Funding in this section is sufficient to fund all day
3 kindergarten programs in all schools in the 2017-18 school year and
4 2018-19 school year, pursuant to RCW 28A.150.220 and 28A.150.315.

5 (13) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND
6 NECESSARY PLANTS

7 For small school districts and remote and necessary school plants
8 within any district which have been judged to be remote and necessary
9 by the superintendent of public instruction, additional staff units
10 are provided to ensure a minimum level of staffing support.
11 Additional administrative and certificated instructional staff units
12 provided to districts in this subsection shall be reduced by the
13 general education staff units, excluding career and technical
14 education and skills center enhancement units, otherwise provided in
15 subsections (2) through (5) of this section on a per district basis.

16 (a) For districts enrolling not more than twenty-five average
17 annual full-time equivalent students in grades K-8, and for small
18 school plants within any school district which have been judged to be
19 remote and necessary by the superintendent of public instruction and
20 enroll not more than twenty-five average annual full-time equivalent
21 students in grades K-8:

22 (i) For those enrolling no students in grades 7 and 8, 1.76
23 certificated instructional staff units and 0.24 certificated
24 administrative staff units for enrollment of not more than five
25 students, plus one-twentieth of a certificated instructional staff
26 unit for each additional student enrolled; and

27 (ii) For those enrolling students in grades 7 or 8, 1.68
28 certificated instructional staff units and 0.32 certificated
29 administrative staff units for enrollment of not more than five
30 students, plus one-tenth of a certificated instructional staff unit
31 for each additional student enrolled;

32 (b) For specified enrollments in districts enrolling more than
33 twenty-five but not more than one hundred average annual full-time
34 equivalent students in grades K-8, and for small school plants within
35 any school district which enroll more than twenty-five average annual
36 full-time equivalent students in grades K-8 and have been judged to
37 be remote and necessary by the superintendent of public instruction:

1 (i) For enrollment of up to sixty annual average full-time
2 equivalent students in grades K-6, 2.76 certificated instructional
3 staff units and 0.24 certificated administrative staff units; and

4 (ii) For enrollment of up to twenty annual average full-time
5 equivalent students in grades 7 and 8, 0.92 certificated
6 instructional staff units and 0.08 certificated administrative staff
7 units;

8 (c) For districts operating no more than two high schools with
9 enrollments of less than three hundred average annual full-time
10 equivalent students, for enrollment in grades 9-12 in each such
11 school, other than alternative schools, except as noted in this
12 subsection:

13 (i) For remote and necessary schools enrolling students in any
14 grades 9-12 but no more than twenty-five average annual full-time
15 equivalent students in grades K-12, four and one-half certificated
16 instructional staff units and one-quarter of a certificated
17 administrative staff unit;

18 (ii) For all other small high schools under this subsection, nine
19 certificated instructional staff units and one-half of a certificated
20 administrative staff unit for the first sixty average annual full-
21 time equivalent students, and additional staff units based on a ratio
22 of 0.8732 certificated instructional staff units and 0.1268
23 certificated administrative staff units per each additional forty-
24 three and one-half average annual full-time equivalent students;

25 (iii) Districts receiving staff units under this subsection shall
26 add students enrolled in a district alternative high school and any
27 grades nine through twelve alternative learning experience programs
28 with the small high school enrollment for calculations under this
29 subsection;

30 (d) For each nonhigh school district having an enrollment of more
31 than seventy annual average full-time equivalent students and less
32 than one hundred eighty students, operating a grades K-8 program or a
33 grades 1-8 program, an additional one-half of a certificated
34 instructional staff unit;

35 (e) For each nonhigh school district having an enrollment of more
36 than fifty annual average full-time equivalent students and less than
37 one hundred eighty students, operating a grades K-6 program or a
38 grades 1-6 program, an additional one-half of a certificated
39 instructional staff unit;

1 (f) (i) For enrollments generating certificated staff unit
2 allocations under (a) through (e) of this subsection, one classified
3 staff unit for each 2.94 certificated staff units allocated under
4 such subsections;

5 (ii) For each nonhigh school district with an enrollment of more
6 than fifty annual average full-time equivalent students and less than
7 one hundred eighty students, an additional one-half of a classified
8 staff unit; and

9 (g) School districts receiving additional staff units to support
10 small student enrollments and remote and necessary plants under this
11 subsection (13) shall generate additional MSOC allocations consistent
12 with the nonemployee related costs (NERC) allocation formula in place
13 for the 2010-11 school year as provided section 502, chapter 37, Laws
14 of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually
15 for inflation.

16 (14) Any school district board of directors may petition the
17 superintendent of public instruction by submission of a resolution
18 adopted in a public meeting to reduce or delay any portion of its
19 basic education allocation for any school year. The superintendent of
20 public instruction shall approve such reduction or delay if it does
21 not impair the district's financial condition. Any delay shall not be
22 for more than two school years. Any reduction or delay shall have no
23 impact on levy authority pursuant to RCW 84.52.0531 and local effort
24 assistance pursuant to chapter 28A.500 RCW.

25 (15) The superintendent may distribute funding for the following
26 programs outside the basic education formula during fiscal years 2018
27 and 2019 as follows:

28 (a) \$638,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$650,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for fire protection for school
31 districts located in a fire protection district as now or hereafter
32 established pursuant to chapter 52.04 RCW.

33 (b) \$436,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$436,000 of the general fund—state appropriation for
35 fiscal year 2019 are provided solely for programs providing skills
36 training for secondary students who are enrolled in extended day
37 school-to-work programs, as approved by the superintendent of public
38 instruction. The funds shall be allocated at a rate not to exceed
39 \$500 per full-time equivalent student enrolled in those programs.

1 (16) \$225,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$229,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for school district emergencies
4 as certified by the superintendent of public instruction. Funding
5 provided must be conditioned upon the written commitment and plan of
6 the school district board of directors to repay the grant with any
7 insurance payments or other judgments that may be awarded, if
8 applicable. At the close of the fiscal year the superintendent of
9 public instruction shall report to the office of financial management
10 and the appropriate fiscal committees of the legislature on the
11 allocations provided to districts and the nature of the emergency.

12 (17) Funding in this section is sufficient to fund a maximum of
13 1.6 FTE enrollment for skills center students pursuant to chapter
14 463, Laws of 2007.

15 (18) Students participating in running start programs may be
16 funded up to a combined maximum enrollment of 1.2 FTE including
17 school district and institution of higher education enrollment
18 consistent with the running start course requirements provided in
19 chapter 202, Laws of 2015 (dual credit education opportunities). In
20 calculating the combined 1.2 FTE, the office of the superintendent of
21 public instruction may average the participating student's September
22 through June enrollment to account for differences in the start and
23 end dates for courses provided by the high school and higher
24 education institution. Additionally, the office of the superintendent
25 of public instruction, in consultation with the state board for
26 community and technical colleges, the student achievement council,
27 and the education data center, shall annually track and report to the
28 fiscal committees of the legislature on the combined FTE experience
29 of students participating in the running start program, including
30 course load analyses at both the high school and community and
31 technical college system.

32 (19) If two or more school districts consolidate and each
33 district was receiving additional basic education formula staff units
34 pursuant to subsection (13) of this section, the following apply:

35 (a) For three school years following consolidation, the number of
36 basic education formula staff units shall not be less than the number
37 of basic education formula staff units received by the districts in
38 the school year prior to the consolidation; and

39 (b) For the fourth through eighth school years following
40 consolidation, the difference between the basic education formula

1 staff units received by the districts for the school year prior to
2 consolidation and the basic education formula staff units after
3 consolidation pursuant to subsection (13) of this section shall be
4 reduced in increments of twenty percent per year.

5 (20)(a) Indirect cost charges by a school district to approved
6 career and technical education middle and secondary programs shall
7 not exceed the lesser of five percent or the cap established in
8 federal law of the combined basic education and career and technical
9 education program enhancement allocations of state funds. Middle and
10 secondary career and technical education programs are considered
11 separate programs for funding and financial reporting purposes under
12 this section.

13 (b) Career and technical education program full-time equivalent
14 enrollment shall be reported on the same monthly basis as the
15 enrollment for students eligible for basic support, and payments
16 shall be adjusted for reported career and technical education program
17 enrollments on the same monthly basis as those adjustments for
18 enrollment for students eligible for basic support.

19 (21) Funding in this section is sufficient to provide full
20 general apportionment payments to school districts eligible for
21 federal forest revenues as provided in RCW 28A.520.020. For the
22 2017-2019 biennium, general apportionment payments are not reduced
23 for school districts receiving federal forest revenues.

24 **Sec. 503.** 2018 c 299 s 503 (uncodified) is amended to read as
25 follows:

26 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—BASIC EDUCATION EMPLOYEE**
27 **COMPENSATION**

28 (1) The following calculations determine the salaries used in the
29 state allocations for certificated instructional, certificated
30 administrative, and classified staff units as provided in House Bill
31 No. 2242 (fully funding the program of basic education), RCW
32 28A.150.260, and under section 502 of this act:

33 (a) For the 2017-18 school year, salary allocations for
34 certificated instructional staff units are determined for each
35 district by multiplying the district's certificated instructional
36 total base salary shown on LEAP Document 2 by the district's average
37 staff mix factor for certificated instructional staff in that school
38 year, computed using LEAP document 1.

1 (b) For the 2017-18 school year, salary allocations for
2 certificated administrative staff units and classified staff units
3 for each district are determined based on the district's certificated
4 administrative and classified salary allocation amounts shown on LEAP
5 Document 2.

6 (c) For the 2018-19 school year salary allocations for
7 certificated instructional staff, certificated administrative staff,
8 and classified staff units are determined for each school district by
9 multiplying the statewide minimum salary allocation for each staff
10 type by the school district's regionalization factor shown in LEAP
11 Document 3.

12 Statewide Minimum Salary Allocation

13 For School Year 2018-19

14	Certificated Instructional Staff	\$65,216.05
15	Certificated Administrative Staff	\$96,805.00
16	Classified Staff	\$46,784.33

17 (2) For the purposes of this section:

18 (a) "LEAP Document 1" means the staff mix factors for
19 certificated instructional staff according to education and years of
20 experience, as developed by the legislative evaluation and
21 accountability program committee on June 22, 2017, at 1:14 hours; and

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

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

31 (3) Incremental fringe benefit factors are applied to salary
32 adjustments at a rate of 22.85 percent for school year 2017-18 and
33 (~~(23.01)~~) 23.06 percent for school year 2018-19 for certificated
34 instructional and certificated administrative staff and 21.10 percent
35 for school year 2017-18 and (~~(21.17)~~) 21.20 percent for the 2018-19
36 school year for classified staff.

37 (4) (a) Pursuant to RCW 28A.150.410, the following state-wide
38 salary allocation schedule for certificated instructional staff are

1 established for basic education salary allocations for the 2017-18
 2 school year:

3 **Table Of Total Base Salaries For Certificated Instructional Staff**
 4 **For School Year 2017-18**

5 *** Education Experience ***

6	Years										MA+90
7	of										OR
8	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	Ph.D.	
9	0	36,521	37,507	38,529	39,554	42,840	44,957	43,785	47,072	49,191	
10	1	37,013	38,013	39,048	40,117	43,438	45,543	44,272	47,593	49,697	
11	2	37,481	38,491	39,537	40,688	44,000	46,127	44,762	48,073	50,201	
12	3	37,964	38,983	40,040	41,229	44,534	46,712	45,227	48,529	50,709	
13	4	38,437	39,501	40,565	41,794	45,119	47,313	45,714	49,038	51,234	
14	5	38,926	39,995	41,069	42,367	45,679	47,918	46,209	49,522	51,760	
15	6	39,428	40,474	41,585	42,948	46,244	48,494	46,716	50,013	52,262	
16	7	40,312	41,373	42,498	43,935	47,280	49,593	47,666	51,010	53,324	
17	8	41,604	42,724	43,876	45,431	48,822	51,219	49,161	52,552	54,949	
18	9		44,122	45,332	46,943	50,413	52,892	50,672	54,143	56,623	
19	10			46,805	48,533	52,049	54,611	52,263	55,780	58,340	
20	11				50,169	53,761	56,375	53,899	57,492	60,104	
21	12				51,753	55,520	58,211	55,600	59,250	61,942	
22	13					57,322	60,093	57,360	61,052	63,823	
23	14					59,132	62,046	59,172	62,981	65,776	
24	15					60,671	63,660	60,710	64,618	67,486	
25	16 or					61,884	64,932	61,924	65,910	68,836	
26	more										

27 (b) As used in this subsection, the column headings "BA+(N)"
 28 refer to the number of credits earned since receiving the
 29 baccalaureate degree.

30 (c) For credits earned after the baccalaureate degree but before
 31 the masters degree, any credits in excess of forty-five credits may
 32 be counted after the masters degree. Thus, as used in this
 33 subsection, the column headings "MA+(N)" refer to the total of:

34 (i) Credits earned since receiving the masters degree; and

1 (ii) Any credits in excess of forty-five credits that were earned
2 after the baccalaureate degree but before the masters degree.

3 (5) For the purposes of this section:

4 (a) "BA" means a baccalaureate degree.

5 (b) "MA" means a masters degree.

6 (c) "PHD" means a doctorate degree.

7 (d) "Years of service" shall be calculated under the same rules
8 adopted by the superintendent of public instruction.

9 (e) "Credits" means college quarter hour credits and equivalent
10 in-service credits computed in accordance with RCW 28A.415.020 and
11 28A.415.023.

12 (6) No more than ninety college quarter-hour credits received by
13 any employee after the baccalaureate degree may be used to determine
14 compensation allocations under the state salary allocation schedule
15 and LEAP documents referenced in this part V, or any replacement
16 schedules and documents, unless:

17 (a) The employee has a masters degree; or

18 (b) The credits were used in generating state salary allocations
19 before January 1, 1992.

20 (7) The salary allocations established in this section are for
21 allocation purposes only except as provided in this subsection, and
22 do not entitle an individual staff position to a particular paid
23 salary except as provided in RCW 28A.400.200, as amended by House
24 Bill No. 2242 (fully funding the program of basic education).

25 (8) For school year 2018-19, the salary allocations for each
26 district shall be the greater of:

27 (a) The derived school year 2018-19 salary allocations in
28 subsection (1) of this section; or

29 (b) The derived salary allocations for school year 2017-18
30 increased by 2.3 percent.

31 **Sec. 504.** 2018 c 299 s 504 (uncodified) is amended to read as
32 follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL EMPLOYEE**
34 **COMPENSATION ADJUSTMENTS**

35 General Fund—State Appropriation (FY 2018). \$206,149,000
36 General Fund—State Appropriation (FY 2019). (~~(\$2,029,841,000)~~)
37 \$2,059,869,000

38 Dedicated McCleary Penalty Account—State

1	Appropriation.	\$84,020,000
2	TOTAL APPROPRIATION.	((\$2,320,010,000))
3		<u>\$2,350,038,000</u>

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

6 (1) The salary increases provided in this section are inclusive
7 of and above the annual cost-of-living adjustments pursuant to RCW
8 28A.400.205.

9 (2) In addition to salary allocations specified in this
10 subsection (1) funding in this subsection includes one day of
11 professional learning for each of the funded full-time equivalent
12 certificated instructional staff units in school year 2018-19.
13 Nothing in this section entitles an individual certificated
14 instructional staff to any particular number of professional learning
15 days.

16 (3)(a) The appropriations in this section include associated
17 incremental fringe benefit allocations at 22.85 percent for the
18 2017-18 school year and ((~~23.01~~)) 23.06 percent for the 2018-19
19 school year for certificated instructional and certificated
20 administrative staff and 21.10 percent for the 2017-18 school year
21 and ((~~21.17~~)) 21.20 percent for the 2018-19 school year for
22 classified staff.

23 (b) The appropriations in this section include the increased or
24 decreased portion of salaries and incremental fringe benefits for all
25 relevant state-funded school programs in part V of this act. Changes
26 for general apportionment (basic education) are based on the salary
27 allocations and methodology in sections 502 and 503 of this act.
28 Changes for special education result from changes in each district's
29 basic education allocation per student. Changes for educational
30 service districts and institutional education programs are determined
31 by the superintendent of public instruction using the methodology for
32 general apportionment salaries and benefits in sections 502 and 503
33 of this act. Changes for pupil transportation are determined by the
34 superintendent of public instruction pursuant to RCW 28A.160.192, and
35 impact compensation factors in sections 502, 503, and 504 of this
36 act.

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

1 ~~((3))~~ (4) The maintenance rate for insurance benefit
2 allocations is \$780.00 per month for the 2017-18 and 2018-19 school
3 years. The appropriations in this section reflect the incremental
4 change in cost of allocating rates of \$820.00 per month for the
5 2017-18 school year and \$843.97 per month for the 2018-19 school
6 year. When bargaining for health benefits funding for the school
7 employees' benefits board during the 2017-2019 fiscal biennium, any
8 proposal agreed upon must assume the imposition of a twenty-five
9 dollar per month surcharge payment from members who use tobacco
10 products and a surcharge payment of not less than fifty dollars per
11 month from members who cover a spouse or domestic partner where the
12 spouse or domestic partner has chosen not to enroll in another
13 employer-based group health insurance that has benefits and premiums
14 with an actuarial value of not less than ninety-five percent of the
15 actuarial value of the public employees' benefits board plan with the
16 largest enrollment. The surcharge payments shall be collected in
17 addition to the member premium payment.

18 ~~((4))~~ (5) The rates specified in this section are subject to
19 revision each year by the legislature.

20 ~~((5))~~ (6) \$699,437,000 of the general fund—state appropriation
21 in fiscal year 2019 and \$84,020,000 of the dedicated McCleary penalty
22 account—state appropriation are provided solely for allocation to
23 school districts to increase compensation related to increasing
24 school employee salary allocations, changing the special education
25 excess cost multiplier as provided in RCW 28A.150.390(2)(b),
26 regionalization factors as provided in RCW 28A.150.412(2)(b), and
27 professional learning day delay, each as amended by Engrossed Second
28 Substitute Senate Bill No. 6362 (basic education).

29 **Sec. 505.** 2018 c 299 s 505 (uncodified) is amended to read as
30 follows:

31 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION**

32 General Fund—State Appropriation (FY 2018)	. . . . . \$518,512,000
33 General Fund—State Appropriation (FY 2019)	. . . . . ((\$519,533,000))
34	<u>\$533,796,000</u>
35 TOTAL APPROPRIATION.	. . . . . ((\$1,038,045,000))
36	<u>\$1,052,308,000</u>

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

1 (1) Each general fund fiscal year appropriation includes such
2 funds as are necessary to complete the school year ending in the
3 fiscal year and for prior fiscal year adjustments.

4 (2) (a) For the 2017-18 and 2018-19 school years, the
5 superintendent shall allocate funding to school district programs for
6 the transportation of eligible students as provided in RCW
7 28A.160.192. Funding in this section constitutes full implementation
8 of RCW 28A.160.192, which enhancement is within the program of basic
9 education. Students are considered eligible only if meeting the
10 definitions provided in RCW 28A.160.160.

11 (b) From July 1, 2017, to August 31, 2017, the superintendent
12 shall allocate funding to school districts programs for the
13 transportation of students as provided in section 505, chapter 4,
14 Laws of 2015 3rd sp. sess., as amended.

15 (3) Within amounts appropriated in this section, up to
16 \$10,000,000 of the general fund—state appropriation for fiscal year
17 2018 and up to \$10,000,000 of the general fund—state appropriation
18 for fiscal year 2019 are for a transportation alternate funding grant
19 program based on the alternate funding process established in RCW
20 28A.160.191. The superintendent of public instruction must include a
21 review of school district efficiency rating, key performance
22 indicators and local school district characteristics such as unique
23 geographic constraints in the grant award process.

24 (4) A maximum of \$913,000 of this fiscal year 2018 appropriation
25 and a maximum of (~~(\$939,000)~~) \$940,000 of the fiscal year 2019
26 appropriation may be expended for regional transportation
27 coordinators and related activities. The transportation coordinators
28 shall ensure that data submitted by school districts for state
29 transportation funding shall, to the greatest extent practical,
30 reflect the actual transportation activity of each district.

31 (5) The office of the superintendent of public instruction shall
32 provide reimbursement funding to a school district for school bus
33 purchases only after the superintendent of public instruction
34 determines that the school bus was purchased from the list
35 established pursuant to RCW 28A.160.195(2) or a comparable
36 competitive bid process based on the lowest price quote based on
37 similar bus categories to those used to establish the list pursuant
38 to RCW 28A.160.195.

39 (6) The superintendent of public instruction shall base
40 depreciation payments for school district buses on the presales tax

1 five-year average of lowest bids in the appropriate category of bus.
2 In the final year on the depreciation schedule, the depreciation
3 payment shall be based on the lowest bid in the appropriate bus
4 category for that school year.

5 (7) Funding levels in this section reflect waivers granted by the
6 state board of education for four-day school weeks as allowed under
7 RCW 28A.305.141.

8 (8) The office of the superintendent of public instruction shall
9 annually disburse payments for bus depreciation in August.

10 **Sec. 506.** 2018 c 299 s 507 (uncodified) is amended to read as
11 follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SPECIAL EDUCATION**
13 **PROGRAMS**

14	General Fund—State Appropriation (FY 2018)	. . . . .	\$965,613,000
15	General Fund—State Appropriation (FY 2019)	. . . . .	((1,001,806,000))
16			<u>\$1,025,589,000</u>
17	General Fund—Federal Appropriation	. . . . .	((485,054,000))
18			<u>\$494,755,000</u>
19	Education Legacy Trust Account—State Appropriation	. . . . .	\$54,694,000
20	Dedicated McCleary Penalty Account—State		
21	Appropriation.	. . . . .	\$21,180,000
22	Pension Funding Stabilization Account—State		
23	Appropriation.	. . . . .	\$20,000
24	TOTAL APPROPRIATION.	. . . . .	((2,528,367,000))
25			<u>\$2,561,851,000</u>

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

28 (1)(a) Funding for special education programs is provided on an
29 excess cost basis, pursuant to RCW 28A.150.390. School districts
30 shall ensure that special education students as a class receive their
31 full share of the general apportionment allocation accruing through
32 sections 502 and 504 of this act. To the extent a school district
33 cannot provide an appropriate education for special education
34 students under chapter 28A.155 RCW through the general apportionment
35 allocation, it shall provide services through the special education
36 excess cost allocation funded in this section.

37 (b) Funding provided within this section is sufficient for
38 districts to provide school principals and lead special education

1 teachers annual professional development on the best-practices for
2 special education instruction and strategies for implementation.
3 Districts shall annually provide a summary of professional
4 development activities to the office of the superintendent of public
5 instruction.

6 (2)(a) The superintendent of public instruction shall ensure
7 that:

8 (i) Special education students are basic education students
9 first;

10 (ii) As a class, special education students are entitled to the
11 full basic education allocation; and

12 (iii) Special education students are basic education students for
13 the entire school day.

14 (b) The superintendent of public instruction shall continue to
15 implement the full cost method of excess cost accounting, as designed
16 by the committee and recommended by the superintendent, pursuant to
17 section 501(1)(k), chapter 372, Laws of 2006.

18 (3) Each fiscal year appropriation includes such funds as are
19 necessary to complete the school year ending in the fiscal year and
20 for prior fiscal year adjustments.

21 (4)(a) For the 2017-18 and 2018-19 school years, the
22 superintendent shall allocate funding to school district programs for
23 special education students as provided in RCW 28A.150.390 as amended
24 by Engrossed Second Substitute Senate Bill No. 6362 (basic
25 education), except that the calculation of the base allocation also
26 includes allocations provided under section 502 (2) and (4) of this
27 act and RCW 28A.150.415, which enhancement is within the program of
28 basic education.

29 (b) From July 1, 2017, to August 31, 2017, the superintendent
30 shall allocate funding to school district programs for special
31 education students as provided in section 507, chapter 4, Laws of
32 2015 3rd sp. sess., as amended.

33 (5) The following applies throughout this section: The
34 definitions for enrollment and enrollment percent are as specified in
35 RCW 28A.150.390(3). Each district's general fund—state funded special
36 education enrollment shall be the lesser of the district's actual
37 enrollment percent or 13.5 percent.

38 (6) At the request of any interdistrict cooperative of at least
39 15 districts in which all excess cost services for special education
40 students of the districts are provided by the cooperative, the

1 maximum enrollment percent shall be calculated in accordance with RCW
2 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate
3 rather than individual district units. For purposes of this
4 subsection, the average basic education allocation per full-time
5 equivalent student shall be calculated in the aggregate rather than
6 individual district units.

7 (7) \$31,087,000 of the general fund—state appropriation for
8 fiscal year 2018, (~~(\$35,952,000)~~) \$40,571,000 of the general fund—
9 state appropriation for fiscal year 2019, and (~~(\$29,574,000)~~)
10 \$39,274,000 of the general fund—federal appropriation are provided
11 solely for safety net awards for districts with demonstrated needs
12 for special education funding beyond the amounts provided in
13 subsection (4) of this section. If the federal safety net awards
14 based on the federal eligibility threshold exceed the federal
15 appropriation in this subsection (7) in any fiscal year, the
16 superintendent shall expend all available federal discretionary funds
17 necessary to meet this need. At the conclusion of each school year,
18 the superintendent shall recover safety net funds that were
19 distributed prospectively but for which districts were not
20 subsequently eligible.

21 (a) For the 2017-18 and 2018-19 school years, safety net funds
22 shall be awarded by the state safety net oversight committee as
23 provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

24 (b) The office of the superintendent of public instruction shall
25 make award determinations for state safety net funding in August of
26 each school year, except that the superintendent of public
27 instruction shall make award determinations for state safety net
28 funding in July of each school year for the Washington state school
29 for the blind and for the center for childhood deafness and hearing
30 loss. Determinations on school district eligibility for state safety
31 net awards shall be based on analysis of actual expenditure data from
32 the current school year.

33 (8) A maximum of \$931,000 may be expended from the general fund—
34 state appropriations to fund 5.43 full-time equivalent teachers and
35 2.1 full-time equivalent aides at children's orthopedic hospital and
36 medical center. This amount is in lieu of money provided through the
37 home and hospital allocation and the special education program.

38 (9) The superintendent shall maintain the percentage of federal
39 flow-through to school districts at 85 percent. In addition to other

1 purposes, school districts may use increased federal funds for high-
2 cost students, for purchasing regional special education services
3 from educational service districts, and for staff development
4 activities particularly relating to inclusion issues.

5 (10) A school district may carry over from one year to the next
6 year up to 10 percent of the general fund—state funds allocated under
7 this program; however, carryover funds shall be expended in the
8 special education program.

9 (11) \$256,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$256,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for two additional full-time
12 equivalent staff to support the work of the safety net committee and
13 to provide training and support to districts applying for safety net
14 awards.

15 (12) \$50,000 of the general fund—state appropriation for fiscal
16 year 2018, \$50,000 of the general fund—state appropriation for fiscal
17 year 2019, and \$100,000 of the general fund—federal appropriation are
18 provided solely for a special education family liaison position
19 within the office of the superintendent of public instruction.

20 (13) \$21,180,000 of the dedicated McCleary penalty account—state
21 appropriation is provided solely for allocation to school districts
22 to increase the special education excess cost multiplier as provided
23 in RCW 28A.150.390(2)(b), as amended by Engrossed Second Substitute
24 Senate Bill No. 6362 (basic education).

25 **Sec. 507.** 2018 c 299 s 508 (uncodified) is amended to read as
26 follows:

27 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE**
28 **DISTRICTS**

29	General Fund—State Appropriation (FY 2018)	. . . . .	\$8,549,000
30	General Fund—State Appropriation (FY 2019)	. . . . .	(\$9,468,000)
31			<u>\$9,471,000</u>
32	TOTAL APPROPRIATION.	. . . . .	(\$18,017,000)
33			<u>\$18,020,000</u>

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

36 (1) The educational service districts shall continue to furnish
37 financial services required by the superintendent of public
38 instruction and RCW 28A.310.190 (3) and (4).

1 (2) Funding within this section is provided for regional
2 professional development related to mathematics and science
3 curriculum and instructional strategies aligned with common core
4 state standards and next generation science standards. Funding shall
5 be distributed among the educational service districts in the same
6 proportion as distributions in the 2007-2009 biennium. Each
7 educational service district shall use this funding solely for salary
8 and benefits for a certificated instructional staff with expertise in
9 the appropriate subject matter and in professional development
10 delivery, and for travel, materials, and other expenditures related
11 to providing regional professional development support.

12 (3) The educational service districts, at the request of the
13 state board of education pursuant to RCW 28A.310.010 and 28A.305.130,
14 may receive and screen applications for school accreditation, conduct
15 school accreditation site visits pursuant to state board of education
16 rules, and submit to the state board of education post-site visit
17 recommendations for school accreditation. The educational service
18 districts may assess a cooperative service fee to recover actual plus
19 reasonable indirect costs for the purposes of this subsection.

20 **Sec. 508.** 2018 c 299 s 509 (uncodified) is amended to read as
21 follows:

22 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT**
23 **ASSISTANCE**

24	General Fund—State Appropriation (FY 2018)	. . . . .	\$451,423,000
25	General Fund—State Appropriation (FY 2019)	. . . . .	(\$425,973,000)
26			<u>\$422,355,000</u>
27	TOTAL APPROPRIATION.	. . . . .	((877,396,000))
28			<u>\$873,778,000</u>

29 The appropriations in this section are subject to the following
30 conditions and limitations: For purposes of RCW 84.52.0531, the
31 increase per full-time equivalent student is 5.85 percent from the
32 2016-17 school year to the 2017-18 school year.

33 **Sec. 509.** 2018 c 299 s 510 (uncodified) is amended to read as
34 follows:

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL**
36 **EDUCATION PROGRAMS**

37	General Fund—State Appropriation (FY 2018)	\$13,895,000
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1	General Fund—State Appropriation (FY 2019)	((\$14,096,000))
2			<u>\$13,714,000</u>
3	TOTAL APPROPRIATION.	((\$27,991,000))
4			<u>\$27,609,000</u>

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

7 (1) Each general fund—state fiscal year appropriation includes
8 such funds as are necessary to complete the school year ending in the
9 fiscal year and for prior fiscal year adjustments.

10 (2) State funding provided under this section is based on
11 salaries and other expenditures for a 220-day school year. The
12 superintendent of public instruction shall monitor school district
13 expenditure plans for institutional education programs to ensure that
14 districts plan for a full-time summer program.

15 (3) State funding for each institutional education program shall
16 be based on the institution's annual average full-time equivalent
17 student enrollment. Staffing ratios for each category of institution
18 shall remain the same as those funded in the 1995-97 biennium.

19 (4) The funded staffing ratios for education programs for
20 juveniles age 18 or less in department of corrections facilities
21 shall be the same as those provided in the 1997-99 biennium.

22 (5) \$701,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$701,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely to maintain at least one
25 certificated instructional staff and related support services at an
26 institution whenever the K-12 enrollment is not sufficient to support
27 one full-time equivalent certificated instructional staff to furnish
28 the educational program. The following types of institutions are
29 included: Residential programs under the department of social and
30 health services for developmentally disabled juveniles, programs for
31 juveniles under the department of corrections, programs for juveniles
32 under the juvenile rehabilitation administration, and programs for
33 juveniles operated by city and county jails.

34 (6) Ten percent of the funds allocated for each institution may
35 be carried over from one year to the next.

36 **Sec. 510.** 2018 c 299 s 511 (uncodified) is amended to read as
37 follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PROGRAMS FOR HIGHLY**
2 **CAPABLE STUDENTS**

3	General Fund—State Appropriation (FY 2018)	. . . . .	\$21,447,000
4	General Fund—State Appropriation (FY 2019)	. . . . .	(\$24,226,000)
5			<u>\$24,117,000</u>
6	TOTAL APPROPRIATION.	. . . . .	(\$45,673,000)
7			<u>\$45,564,000</u>

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

10 (1) Each general fund fiscal year appropriation includes such
11 funds as are necessary to complete the school year ending in the
12 fiscal year and for prior fiscal year adjustments.

13 (2) For the 2017-18 and 2018-19 school years, the superintendent
14 shall allocate funding to school district programs for highly capable
15 students as provided in RCW 28A.150.260(10)(c) except that
16 allocations must be based on 5.0 percent of each school district's
17 full-time equivalent enrollment. In calculating the allocations, the
18 superintendent shall assume the following: (i) Additional instruction
19 of 2.1590 hours per week per funded highly capable program student;
20 (ii) fifteen highly capable program students per teacher; (iii) 36
21 instructional weeks per year; (iv) 900 instructional hours per
22 teacher; and (v) the compensation rates as provided in sections 503
23 and 504 of this act.

24 (b) From July 1, 2017, to August 31, 2017, the superintendent
25 shall allocate funding to school districts programs for highly
26 capable students as provided in section 511, chapter 4, Laws of 2015
27 3rd sp. sess., as amended.

28 (3) \$85,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$85,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for the centrum program at Fort
31 Worden state park.

32 **Sec. 511.** 2018 c 299 s 512 (uncodified) is amended to read as
33 follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR MISCELLANEOUS—EVERY**
35 **STUDENT SUCCEEDS ACT**

36	General Fund—Federal Appropriation	. . . . .	(\$5,802,000)
37			<u>\$6,302,000</u>

1 **Sec. 512.** 2018 c 299 s 513 (uncodified) is amended to read as
2 follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—EDUCATION REFORM**
4 **PROGRAMS**

5	General Fund—State Appropriation (FY 2018)	\$134,384,000
6	General Fund—State Appropriation (FY 2019)	(\$154,111,000)
7		<u>\$132,886,000</u>
8	General Fund—Federal Appropriation	(\$94,811,000)
9		<u>\$94,812,000</u>
10	General Fund—Private/Local Appropriation	(\$1,450,000)
11		<u>\$1,451,000</u>
12	Education Legacy Trust Account—State Appropriation . .	(\$1,618,000)
13		<u>\$1,619,000</u>
14	Pension Funding Stabilization Account—State	
15	Appropriation.	(\$765,000)
16		<u>\$766,000</u>
17	TOTAL APPROPRIATION.	(\$387,139,000)
18		<u>\$365,918,000</u>

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

21 (1) (a) \$30,421,000 of the general fund—state appropriation for
22 fiscal year 2018, \$26,975,000 of the general fund—state appropriation
23 for fiscal year 2019, \$1,350,000 of the education legacy trust
24 account—state appropriation, and \$15,868,000 of the general fund—
25 federal appropriation are provided solely for development and
26 implementation of the Washington state assessment system.

27 (b) (i) The office of the superintendent of public instruction
28 issued a final fiscal note on July 13, 2017, detailing an estimated
29 savings of \$12.7 million in the 2017-2019 biennium and \$15.2 million
30 in the 2019-2021 biennium from the passage of Engrossed Substitute
31 House Bill No. 2224.

32 (ii) By November 1, 2018, the superintendent must review the
33 fiscal note and report to the legislature on which actions detailed
34 in the fiscal note were taken by the superintendent to achieve the
35 savings estimated and the actual savings achieved. For those actions
36 provided in the fiscal note that were not taken and for which no
37 savings were achieved, the superintendent must explain why those
38 actions were not taken.

1 (iii) By November 1, 2018, the superintendent must submit a
2 detailed plan on how the superintendent will achieve all of the
3 savings estimated in the fiscal note for the 2019-2021 biennium.

4 (2) \$356,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$356,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for the Washington state
7 leadership and assistance for science education reform (LASER)
8 regional partnership activities, including instructional material
9 purchases, teacher and principal professional development, and school
10 and community engagement events.

11 (3) \$3,935,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$3,935,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for implementation of a new
14 performance-based evaluation for certificated educators and other
15 activities as provided in chapter 235, Laws of 2010 (education
16 reform) and chapter 35, Laws of 2012 (certificated employee
17 evaluations).

18 (4) \$62,674,000 of the general fund—state appropriation for
19 fiscal year 2018 and (~~(\$82,778,000)~~) \$61,553,000 of the general fund—
20 state appropriation for fiscal year 2019 are provided solely for the
21 following bonuses for teachers who hold valid, unexpired
22 certification from the national board for professional teaching
23 standards and who are teaching in a Washington public school, subject
24 to the following conditions and limitations:

25 (a) For national board certified teachers, a bonus of \$5,296 per
26 teacher in the 2017-18 school year and a bonus of \$5,397 per teacher
27 in the 2018-19 school year;

28 (b) An additional \$5,000 annual bonus shall be paid to national
29 board certified teachers who teach in either: (A) High schools where
30 at least 50 percent of student headcount enrollment is eligible for
31 federal free or reduced-price lunch, (B) middle schools where at
32 least 60 percent of student headcount enrollment is eligible for
33 federal free or reduced-price lunch, or (C) elementary schools where
34 at least 70 percent of student headcount enrollment is eligible for
35 federal free or reduced-price lunch;

36 (c) The superintendent of public instruction shall adopt rules to
37 ensure that national board certified teachers meet the qualifications
38 for bonuses under (b) of this subsection for less than one full
39 school year receive bonuses in a prorated manner. All bonuses in this

1 subsection will be paid in July of each school year. Bonuses in this
2 subsection shall be reduced by a factor of 40 percent for first year
3 NBPTS certified teachers, to reflect the portion of the instructional
4 school year they are certified; and

5 (d) During the 2017-18 and 2018-19 school years, and within
6 available funds, certificated instructional staff who have met the
7 eligibility requirements and have applied for certification from the
8 national board for professional teaching standards may receive a
9 conditional loan of two thousand dollars or the amount set by the
10 office of the superintendent of public instruction to contribute
11 toward the current assessment fee, not including the initial up-front
12 candidacy payment. The fee shall be an advance on the first annual
13 bonus under RCW 28A.405.415. The conditional loan is provided in
14 addition to compensation received under a district's salary
15 allocation and shall not be included in calculations of a district's
16 average salary and associated salary limitation under RCW
17 28A.400.200. Recipients who fail to receive certification after three
18 years are required to repay the conditional loan. The office of the
19 superintendent of public instruction shall adopt rules to define the
20 terms for initial grant of the assessment fee and repayment,
21 including applicable fees. To the extent necessary, the
22 superintendent may use revenues from the repayment of conditional
23 loan scholarships to ensure payment of all national board bonus
24 payments required by this section in each school year.

25 (5) \$477,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$477,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the leadership internship
28 program for superintendents, principals, and program administrators.

29 (6) \$950,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$950,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for the Washington reading
32 corps. The superintendent shall allocate reading corps members to
33 schools identified for comprehensive or targeted support and school
34 districts that are implementing comprehensive, proven, research-based
35 reading programs. Two or more schools may combine their Washington
36 reading corps programs.

37 (7) \$810,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$810,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for the development of a

1 leadership academy for school principals and administrators. The
2 superintendent of public instruction shall contract with an
3 independent organization to operate a state-of-the-art education
4 leadership academy that will be accessible throughout the state.
5 Semiannually the independent organization shall report on amounts
6 committed by foundations and others to support the development and
7 implementation of this program. Leadership academy partners shall
8 include the state level organizations for school administrators and
9 principals, the superintendent of public instruction, the
10 professional educator standards board, and others as the independent
11 organization shall identify.

12 (8) \$3,000,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$3,000,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for a statewide information
15 technology (IT) academy program. This public-private partnership will
16 provide educational software, as well as IT certification and
17 software training opportunities for students and staff in public
18 schools.

19 (9) \$1,802,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$1,802,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for secondary career and
22 technical education grants pursuant to chapter 170, Laws of 2008,
23 including parts of programs receiving grants that serve students in
24 grades four through six. If equally matched by private donations,
25 \$825,000 of the 2018 appropriation and \$825,000 of the 2019
26 appropriation shall be used to support FIRST robotics programs in
27 grades four through twelve. Of the amounts in this subsection,
28 \$100,000 of the fiscal year 2018 appropriation and \$100,000 of the
29 fiscal year 2019 appropriation are provided solely for the purpose of
30 statewide supervision activities for career and technical education
31 student leadership organizations.

32 (10) \$125,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$125,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for (a) staff at the office of
35 the superintendent of public instruction to coordinate and promote
36 efforts to develop integrated math, science, technology, and
37 engineering programs in schools and districts across the state; and
38 (b) grants of \$2,500 to provide twenty middle and high school
39 teachers each year with professional development training for

1 implementing integrated math, science, technology, and engineering
2 programs in their schools.

3 (11) \$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 science, technology,
6 engineering and mathematics lighthouse projects, consistent with
7 chapter 238, Laws of 2010.

8 (12) \$10,500,000 of the general fund—state appropriation for
9 fiscal year 2018 and \$10,500,000 of the general fund—state
10 appropriation for fiscal year 2019 are provided solely for a
11 beginning educator support program. The program shall prioritize
12 first year teachers in the mentoring program. School districts and/or
13 regional consortia may apply for grant funding. The program provided
14 by a district and/or regional consortia shall include: A paid
15 orientation; assignment of a qualified mentor; development of a
16 professional growth plan for each beginning teacher aligned with
17 professional certification; release time for mentors and new teachers
18 to work together; and teacher observation time with accomplished
19 peers. Funding may be used to provide statewide professional
20 development opportunities for mentors and beginning educators.

21 (13) \$250,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$250,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for advanced project lead the
24 way courses at ten high schools. To be eligible for funding in 2018,
25 a high school must have offered a foundational project lead the way
26 course during the 2016-17 school year. The 2018 funding must be used
27 for one-time start-up course costs for an advanced project lead the
28 way course, to be offered to students beginning in the 2017-18 school
29 year. To be eligible for funding in 2019, a high school must have
30 offered a foundational project lead the way course during the 2017-18
31 school year. The 2018 funding must be used for one-time start-up
32 course costs for an advanced project lead the way course, to be
33 offered to students beginning in the 2018-19 school year. The office
34 of the superintendent of public instruction and the education
35 research and data center at the office of financial management shall
36 track student participation and long-term outcome data.

37 (14) \$9,352,000 of the general fund—state appropriation for
38 fiscal year 2018 and \$14,352,000 of the general fund—state
39 appropriation for fiscal year 2019 are provided solely for

1 implementation of chapter 159, Laws of 2013. By January 15, 2018, the
2 superintendent of public instruction shall submit a plan to the
3 fiscal committees of the legislature outlining the additional school
4 accountability supports that will be implemented as a result of the
5 increased appropriation provided in fiscal year 2019. Of the amount
6 provided in this subsection, \$5,000,000 of the general fund—state
7 appropriation for fiscal year 2019 is provided solely for expenditure
8 contingent upon legislative approval of the superintendent's plan for
9 additional school accountability supports, and the superintendent may
10 not spend that amount until approval is received.

11 (15) \$450,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$450,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for annual start-up, expansion,
14 or maintenance of existing programs in aerospace and advanced
15 manufacturing programs. To be eligible for funding, the skills center
16 and high schools must agree to engage in developing local business
17 and industry partnerships for oversight and input regarding program
18 components. Program instructors must also agree to participate in
19 professional development leading to student employment, or
20 certification in aerospace or advanced manufacturing industries as
21 determined by the superintendent of public instruction. The office of
22 the superintendent of public instruction and the education research
23 and data center shall report annually student participation and long-
24 term outcome data.

25 (16) \$5,000,000 of the general fund—state appropriation for
26 fiscal year 2018 and \$4,000,000 of the general fund—state
27 appropriation for fiscal year 2019 are provided solely for the
28 provision of training for teachers, principals, and principal
29 evaluators in the performance-based teacher principal evaluation
30 program.

31 (17) \$125,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$125,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely to promote the financial
34 literacy of students. The effort will be coordinated through the
35 financial literacy public-private partnership.

36 (18) \$2,194,000 of the general fund—state appropriation for
37 fiscal year 2018 and \$909,000 of the general fund—state appropriation
38 for fiscal year 2019 are provided solely to implement chapter 18,

1 Laws of 2013 2nd sp. sess. (Engrossed Substitute Senate Bill No.
2 5946) (strengthening student educational outcomes).

3 (19) \$36,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$36,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for chapter 212, Laws of 2014
6 (Substitute Senate Bill No. 6074) (homeless student educational
7 outcomes).

8 (20) \$80,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$40,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for chapter 219, Laws of 2014
11 (Second Substitute Senate Bill No. 6163) (expanded learning).

12 (21) \$10,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$10,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for chapter 102, Laws of 2014
15 (Senate Bill No. 6424) (biliteracy seal).

16 (22) \$500,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$500,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for the office of the
19 superintendent of public instruction to contract with a nonprofit
20 organization to integrate the state learning standards in English
21 language arts, mathematics, and science with FieldSTEM outdoor field
22 studies and project-based and work-based learning opportunities
23 aligned with the environmental, natural resource, and agricultural
24 sectors.

25 (23) Within the amounts provided in this section, the
26 superintendent of public instruction shall obtain an existing student
27 assessment inventory tool that is free and openly licensed and
28 distribute the tool to every school district. Each school district
29 shall use the student assessment inventory tool to identify all
30 state-level and district-level assessments that are required of
31 students. The state-required assessments should include: Reading
32 proficiency assessments used for compliance with RCW 28A.320.202; the
33 required statewide assessments under chapter 28A.655 RCW in grades
34 three through eight and at the high school level in English language
35 arts, mathematics, and science, as well as the practice and training
36 tests used to prepare for them; and the high school end-of-course
37 exams in mathematics under RCW 28A.655.066. District-required
38 assessments should include: The second grade reading assessment used
39 to comply with RCW 28A.300.320; interim smarter balanced assessments,

1 if required; the measures of academic progress assessment, if
2 required; and other required interim, benchmark, or summative
3 standardized assessments, including assessments used in social
4 studies, the arts, health, and physical education in accordance with
5 RCW 28A.230.095, and for educational technology in accordance with
6 RCW 28A.655.075. The assessments identified should not include
7 assessments used to determine eligibility for any categorical program
8 including the transitional bilingual instruction program, learning
9 assistance program, highly capable program, special education
10 program, or any formative or diagnostic assessments used solely to
11 inform teacher instructional practices, other than those already
12 identified. By October 15th of each year, each district shall report
13 to the superintendent the amount of student time in the previous
14 school year that is spent taking each assessment identified. By
15 December 15th of each even numbered calendar year, the superintendent
16 shall summarize the information reported by the school districts and
17 report to the education committees of the house of representatives
18 and the senate.

19 (24) \$125,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$125,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for contracts with nonprofit
22 organizations that provide direct services to children exclusively
23 through one-to-one volunteer mentoring. The mentor, student, and
24 parent must each receive monthly coaching from professional staff in
25 the first year and coaching every two months in subsequent years.

26 (25) \$200,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely for grants to implement a program that
28 provides hands-on education in financial literacy, work readiness,
29 and entrepreneurship.

30 (26) Sufficient amounts are appropriated in this section for the
31 office of the superintendent of public instruction to create a
32 process and provide assistance to school districts in planning for
33 future implementation of the summer knowledge improvement program
34 grants.

35 **Sec. 513.** 2018 c 299 s 514 (uncodified) is amended to read as
36 follows:

37 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL**
38 **BILINGUAL PROGRAMS**

1	General Fund—State Appropriation (FY 2018)	. . . . .	\$151,517,000
2	General Fund—State Appropriation (FY 2019)	. . . . .	(\$158,812,000)
3			<u>\$157,356,000</u>
4	General Fund—Federal Appropriation	. . . . .	\$97,244,000
5	Pension Funding Stabilization Account—State Appropriation.	. . .	\$4,000
6	TOTAL APPROPRIATION.	. . . . .	(\$407,577,000)
7			<u>\$406,121,000</u>

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

10 (1) Each general fund fiscal year appropriation includes such
11 funds as are necessary to complete the school year ending in the
12 fiscal year and for prior fiscal year adjustments.

13 (2)(a) For the 2017-18 and 2018-19 school years, the
14 superintendent shall allocate funding to school districts for
15 transitional bilingual programs under RCW 28A.180.010 through
16 28A.180.080, including programs for exited students, as provided in
17 RCW 28A.150.260(10)(b) and the provisions of this section. In
18 calculating the allocations, the superintendent shall assume the
19 following averages: (i) Additional instruction of 4.7780 hours per
20 week per transitional bilingual program student in grades
21 kindergarten through six and 6.7780 hours per week per transitional
22 bilingual program student in grades seven through twelve in school
23 years 2017-18 and 2018-19; (ii) additional instruction of 3.0000
24 hours per week in school years 2017-18 and 2018-19 for the head count
25 number of students who have exited the transitional bilingual
26 instruction program within the previous two years based on their
27 performance on the English proficiency assessment; (iii) fifteen
28 transitional bilingual program students per teacher; (iv) 36
29 instructional weeks per year; (v) 900 instructional hours per
30 teacher; and (vi) the compensation rates as provided in sections 503
31 and 504 of this act. Pursuant to RCW 28A.180.040(1)(g), the
32 instructional hours specified in (a)(ii) of this subsection (2) are
33 within the program of basic education.

34 (b) From July 1, 2017, to August 31, 2017, the superintendent
35 shall allocate funding to school districts for transitional bilingual
36 instruction programs as provided in section 514, chapter 4, Laws of
37 2015, 3rd sp. sess., as amended.

38 (3) The superintendent may withhold allocations to school
39 districts in subsection (2) of this section solely for the central

1 provision of assessments as provided in RCW 28A.180.090 (1) and (2)
2 up to the following amounts: 2.50 percent for school year 2017-18 and
3 (~~2.57~~) 2.62 percent for school year 2018-19.

4 (4) The general fund—federal appropriation in this section is for
5 migrant education under Title I Part C and English language
6 acquisition, and language enhancement grants under Title III of the
7 elementary and secondary education act.

8 (5) \$35,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$35,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely to track current and former
11 transitional bilingual program students.

12 (6) \$495,000 of the general fund—state appropriation in fiscal
13 year 2018 and (~~\$198,000~~) \$1,276,000 of the general fund—state
14 appropriation in fiscal year 2019 are provided solely for the central
15 provision of assessments as provided in RCW 28A.180.090, and is in
16 addition to the withholding amounts specified in subsection (3) of
17 this section.

18 **Sec. 514.** 2018 c 299 s 515 (uncodified) is amended to read as
19 follows:

20 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING**
21 **ASSISTANCE PROGRAM**

22	General Fund—State Appropriation (FY 2018)	. . . . .	\$323,386,000
23	General Fund—State Appropriation (FY 2019)	. . . . .	(\$348,202,000)
24			<u>\$348,300,000</u>
25	General Fund—Federal Appropriation	. . . . .	\$519,487,000
26	TOTAL APPROPRIATION.	. . . . .	(\$1,191,075,000)
27			<u>\$1,191,173,000</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. 515.** 2018 c 299 s 516 (uncodified) is amended to read as
4 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	\$7,063	(\$8,736) <u>\$8,781</u>
11 Pupil Transportation	\$429	(\$531) <u>\$557</u>
12 Special Education Programs	\$6,897	(\$8,749) <u>\$8,789</u>
13 Institutional Education Programs	\$14,401	(\$17,811) <u>\$17,831</u>
14 Programs for Highly Capable Students	\$457	(\$569) <u>\$572</u>
15 Transitional Bilingual Programs	\$1,031	(\$1,250) <u>\$1258</u>
16 Learning Assistance Program	\$738	(\$920) <u>\$925</u>

17 **Sec. 516.** 2018 c 299 s 517 (uncodified) is amended to read as
18 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)~~) 2019,
9 unless 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)~~) 2019 among the following programs to meet the
13 apportionment schedule for a specified formula in another of these
14 programs: General apportionment, employee compensation adjustments,
15 pupil transportation, special education programs, institutional
16 education programs, transitional bilingual programs, highly capable,
17 and 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. 517.** 2018 c 299 s 518 (uncodified) is amended to read as
27 follows:

28 **FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR**
29 **CHARTER SCHOOLS**

30 Washington Opportunity Pathways Account—State

31	Appropriation.	((\$55,569,000))
32		<u>\$53,733,000</u>

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

35 (1) The superintendent shall distribute funding appropriated in
36 this section to charter schools under chapter 28A.710 RCW. Within
37 amounts provided in this section the superintendent may distribute
38 funding for safety net awards for charter schools with demonstrated

1 needs for special education funding beyond the amounts provided under
2 chapter 28A.710 RCW.

3 (2) \$2,378,000 of the Washington opportunity pathways account—
4 state appropriation is provided solely for allocation to school
5 districts to increase compensation related to increasing school
6 employee salary allocations, changing the special education excess
7 cost multiplier as provided in RCW 28A.150.390(2)(b), regionalization
8 factors as provided in RCW 28A.150.412(2)(b), and the professional
9 learning day delay, each as amended by Engrossed Second Substitute
10 Senate Bill No. 6362 (basic education).

11 **Sec. 518.** 2018 c 299 s 519 (uncodified) is amended to read as
12 follows:

13 **FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE**
14 **WASHINGTON STATE CHARTER SCHOOL COMMISSION**

15	Washington Opportunity Pathways Account—State	
16	Appropriation	((\$862,000))
17		<u>\$863,000</u>
18	Charter Schools Oversight Account—State	
19	Appropriation	\$1,572,000
20	TOTAL APPROPRIATION.	((\$2,434,000))
21		<u>\$2,435,000</u>

22 The appropriations in this section are subject to the following
23 conditions and limitations: The entire Washington opportunity
24 pathways account—state appropriation in this section is provided to
25 the superintendent of public instruction solely for the operations of
26 the Washington state charter school commission under chapter 28A.710
27 RCW.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2018 c 299 s 603 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund—State Appropriation (FY 2018)	\$200,567,000
General Fund—State Appropriation (FY 2019)	(\$212,381,000)
	<u>\$212,977,000</u>
WSU Building Account—State Appropriation	\$792,000
Education Legacy Trust Account—State Appropriation	\$33,995,000
Dedicated Marijuana Account—State Appropriation (FY 2018)	\$138,000
Dedicated Marijuana Account—State Appropriation (FY 2019)	\$138,000
Pension Funding Stabilization Account—State Appropriation	\$30,983,000
TOTAL APPROPRIATION	(\$478,994,000)
	<u>\$479,590,000</u>

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

(1) \$90,000 of the general fund—state appropriation for fiscal year 2018 and \$90,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a rural economic development and outreach coordinator.

(2) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(3) \$500,000 of the general fund—state appropriation for fiscal year 2018 and \$500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for state match requirements related to the federal aviation administration grant.

1 (4) Washington State University shall not use funds appropriated
2 in this section to support intercollegiate athletic programs.

3 (5) The appropriations in this section include sufficient funding
4 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
5 (education loan information).

6 (6) The appropriations in this section include sufficient funding
7 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
8 (financial literacy seminars).

9 (7) \$3,000,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$7,000,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for the continued development
12 and operations of a medical school program in Spokane.

13 (8) \$135,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$135,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for a honey bee biology research
16 position.

17 (9) \$27,586,000 of the general fund—state appropriation for
18 fiscal year 2018 and \$28,275,000 of the general fund—state
19 appropriation for fiscal year 2019 are provided solely for the
20 implementation of the college affordability program as set forth in
21 RCW 28B.15.066.

22 (10) \$230,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$376,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for chapter 202, Laws of 2017
25 (2SHB 1713) (children's mental health).

26 (11) \$300,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$300,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for the William D. Ruckelshaus
29 center to collaborate with groups and organizations, including
30 associations of local governments, associations of the business, real
31 estate and building industries, state agencies, environmental
32 organizations, state universities, public health and planning
33 organizations, and tribal governments, to create a "Road Map to
34 Washington's Future." The road map shall identify areas of agreement
35 on ways to adapt Washington's growth management framework of
36 statutes, institutions, and policies to meet future challenges in
37 view of robust forecasted growth and the unique circumstances and
38 urgent priorities in the diverse regions of the state. The center

1 shall, in conjunction with state universities and other sponsors,
2 conduct regional workshops to:

3 (a) Engage Washington residents in identifying a desired
4 statewide vision for Washington's future;

5 (b) Partner with state universities on targeted research to
6 inform future alternatives;

7 (c) Facilitate deep and candid interviews with representatives of
8 the above named groups and organizations; and

9 (d) Convene parties for collaborative conversations and potential
10 agreement seeking.

11 The center must submit a final report to the appropriate committees
12 of the legislature by June 30, 2019.

13 (12) \$580,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$580,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the development of an
16 organic agriculture systems degree program located at the university
17 center in Everett.

18 (13) Within the funds appropriated in this section, Washington
19 State University shall:

20 (a) Review the scholarly literature on the short-term and long-
21 term effects of marijuana use to assess if other states or private
22 entities are conducting marijuana research in areas that may be
23 useful to the state.

24 (b) Provide as part of its budget request for the 2019-2021
25 fiscal biennium:

26 (i) A list of intended state, federal, and privately funded
27 marijuana research, including cost, duration, and scope;

28 (ii) Plans for partnerships with other universities, state
29 agencies, or private entities, including entities outside the state,
30 for purposes related to researching short-term and long-term effects
31 of marijuana use.

32 (14) \$760,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$760,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for implementation of chapter
35 159, Laws of 2017 (2SSB 5474) (elk hoof disease).

36 (15) \$630,000 of the general fund—state appropriation for fiscal
37 2018 and \$630,000 of the general fund—state appropriation for fiscal
38 year 2019 are provided solely for the creation of an electrical
39 engineering program located in Bremerton. At full implementation, the

1 university is expected to increase degree production by 25 new
2 bachelor's degrees per year. The university must identify these
3 students separately when providing data to the education research
4 data center as required in subsection (2) of this section.

5 (16) \$1,370,000 of the general fund—state appropriation for
6 fiscal year 2018 and \$1,370,000 of the general fund—state
7 appropriation for fiscal year 2019 are provided solely for the
8 creation of software engineering and data analytic programs at the
9 university center in Everett. At full implementation, the university
10 is expected to enroll 50 students per academic year. The university
11 must identify these students separately when providing data to the
12 education research data center as required in subsection (2) of this
13 section.

14 (17) General fund—state appropriations in this section are
15 reduced to reflect a reduction in state-supported tuition waivers for
16 graduate students. When reducing tuition waivers, the university will
17 not change its practices and procedures for providing eligible
18 veterans with tuition waivers.

19 (18) \$768,000 of the general fund—state appropriation for fiscal
20 year 2018 and (~~(\$504,000)~~) \$1,100,000 of the general fund—state
21 appropriation for fiscal year 2019 are provided solely for
22 implementation of chapter 36, Laws of 2017 3rd sp. sess. (renewable
23 energy, tax incentives).

24 (19) \$89,000 of the general fund—state appropriation for fiscal
25 year 2019 is provided solely for implementation of Engrossed Second
26 Substitute House Bill No. 2009 (gold star families/higher education).
27 If the bill is not enacted by June 30, 2018, the amount provided in
28 this subsection shall lapse.

29 (20) \$58,000 of the general fund—state appropriation for fiscal
30 year 2019 is provided solely for implementation of Substitute House
31 Bill No. 2580 (renewable natural gas). If the bill is not enacted by
32 June 30, 2018, the amount provided in this subsection shall lapse.

33 (21) \$500,000 of the general fund—state appropriation for fiscal
34 year 2019 is provided solely for the joint center for deployment and
35 research in earth abundant materials.

36 (22) \$75,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for the Washington State University tree
38 fruit research and extension center in Wenatchee to create a plan for
39 expansion of graduate research in the greater Wenatchee Valley. This

1 plan may include proposals for new research programs, new or expanded
2 facilities, and other elements necessary to facilitate expansion of
3 graduate research in the greater Wenatchee Valley.

4 (23) \$15,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely for implementation of Senate Bill No.
6 5028 (Native American curriculum). If the bill is not enacted by June
7 30, 2018, the amount provided in this subsection shall lapse.

8 (24) \$20,000 of the general fund—state appropriation for fiscal
9 year 2019 is provided solely for the office of clean technology at
10 Washington State University to convene a sustainable aviation
11 biofuels work group to further the development of sustainable
12 aviation fuel as a productive industry in Washington. The work group
13 must include members from the legislature and sectors involved in
14 sustainable aviation biofuels research, development, production, and
15 utilization. The work group must provide recommendations to the
16 governor and the appropriate committees of the legislature before
17 December 1, 2019.

18 (25) \$17,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$33,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for the William D. Ruckelshaus
21 center to provide meeting facilitation and related services for the
22 legislative task force on legislative records as specified in section
23 925(4) of this act.

24 **Sec. 602.** 2018 c 299 s 605 (uncodified) is amended to read as
25 follows:

26 **FOR CENTRAL WASHINGTON UNIVERSITY**

27	General Fund—State Appropriation (FY 2018)	. . . . .	\$48,136,000
28	General Fund—State Appropriation (FY 2019)	. . . . .	(\$50,646,000)
29			<u>\$51,325,000</u>
30	CWU Capital Projects Account—State Appropriation.	. . . . .	\$76,000
31	Education Legacy Trust Account—State Appropriation	. . . . .	\$19,076,000
32	Pension Funding Stabilization Account—State		
33	Appropriation.	. . . . .	\$3,921,000
34	TOTAL APPROPRIATION.	. . . . .	(\$121,855,000)
35			<u>\$122,534,000</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) \$11,169,000 of the general fund—state appropriation for
13 fiscal year 2018 and \$11,448,000 of the general fund—state
14 appropriation for fiscal year 2019 are provided solely for the
15 implementation of the college affordability program as set forth in
16 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) \$200,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for the game on! program, which provides
33 underserved middle and high school students with training in
34 leadership, science, technology, engineering, and math. The program
35 is expected to serve approximately 500 students per year.

36 (9) \$130,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for Central Washington University to
38 partner with the office of the lieutenant governor, and employers and
39 labor representatives from the building and construction trades to

1 create a bachelor's degree program for individuals who have completed
2 or are completing certain registered apprenticeship programs. The
3 program shall be inclusive of prior learning, specifically tailored
4 to experience gained through apprenticeships and work in the building
5 and construction trades, and use an affordable online delivery model.
6 The program's financial model must be designed to make this degree
7 program self-sustaining without state support.

8 (10) \$23,000 of the general fund—state appropriation for fiscal
9 year 2019 is provided solely for implementation of Senate Bill No.
10 5028 (Native American curriculum). If the bill is not enacted by June
11 30, 2018, the amount provided in this subsection shall lapse.

12 **Sec. 603.** 2018 c 299 s 612 (uncodified) is amended to read as
13 follows:

14 **FOR THE STATE SCHOOL FOR THE BLIND**

15	General Fund—State Appropriation (FY 2018)	. . . . .	\$6,977,000
16	General Fund—State Appropriation (FY 2019)	. . . . .	(\$7,569,000)
17			<u>\$8,285,000</u>
18	General Fund—Private/Local Appropriation	. . . . .	\$34,000
19	Pension Funding Stabilization Account—State		
20	Appropriation.	. . . . .	\$591,000
21	TOTAL APPROPRIATION.	. . . . .	(\$15,171,000)
22			<u>\$15,887,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations: Funding provided in this section is
25 sufficient for the school to offer to students enrolled in grades
26 nine through twelve for full-time instructional services at the
27 Vancouver campus with the opportunity to participate in a minimum of
28 one thousand eighty hours of instruction and the opportunity to earn
29 twenty-four high school credits.

30 **Sec. 604.** 2018 c 299 s 613 (uncodified) is amended to read as
31 follows:

32 **FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING**
33 **LOSS**

34	General Fund—State Appropriation (FY 2018)	. . . . .	\$10,293,000
35	General Fund—State Appropriation (FY 2019)	. . . . .	(\$11,564,000)
36			<u>\$14,912,000</u>
37	Pension Funding Stabilization Account—State		

1	Appropriation.	\$727,000
2	TOTAL APPROPRIATION.	((\$22,584,000))
3		<u>\$25,932,000</u>

4 The appropriations in this section are subject to the following
5 conditions and limitations: Funding provided in this section is
6 sufficient for the center to offer to students enrolled in grades
7 nine through twelve for full-time instructional services at the
8 Vancouver campus with the opportunity to participate in a minimum of
9 one thousand eighty hours of instruction and the opportunity to earn
10 twenty-four high school credits.

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2018 c 299 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund—State Appropriation (FY 2018)	\$1,115,140,000
General Fund—State Appropriation (FY 2019)	((1,164,747,000))
	<u>\$1,143,919,000</u>
State Building Construction Account—State	
Appropriation	((6,456,000))
	<u>\$3,912,000</u>
Columbia River Basin Water Supply—State Appropriation	((79,000))
	<u>\$12,000</u>
State Taxable Building Construction Account—State	
Appropriation	((376,000))
	<u>\$433,000</u>
<u>Watershed Restoration and Enhancement Bond</u>	
<u>Account—State Appropriation</u>	<u>\$4,000</u>
Debt-Limit Reimbursable Bond Retire Account—State	
Appropriation	\$570,000
TOTAL APPROPRIATION	((2,287,368,000))
	<u>\$2,263,990,000</u>

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 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund—State Appropriation (FY 2018)	\$9,592,000
General Fund—State Appropriation (FY 2019)	\$1,517,000
<u>School Construction and Skill Centers Building</u>	
<u>Account—State Appropriation</u>	<u>\$6,000</u>
Nondebt-Limit Reimbursable Bond Retirement Account—State	

1	Appropriation	((\$184,549,000))
2		<u>\$183,571,000</u>
3	TOTAL APPROPRIATION.	((\$195,658,000))
4		<u>\$194,686,000</u>

5 The appropriations in this section are subject to the following
6 conditions and limitations: The general fund appropriations are for
7 expenditure into the nondebt-limit general fund bond retirement
8 account.

9 **Sec. 703.** 2018 c 299 s 702 (uncodified) is amended to read as
10 follows:

11	FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING	
12	BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES	
13	General Fund—State Appropriation (FY 2018)	\$1,400,000
14	General Fund—State Appropriation (FY 2019)	\$1,400,000
15	State Building Construction Account—State	
16	Appropriation	((\$2,191,000))
17		<u>\$691,000</u>
18	Columbia River Basin Water Supply—State Appropriation	((\$58,000))
19		<u>\$4,000</u>
20	Columbia River Basin Taxable Bond Water	
21	Supply—State Appropriation.	((\$14,000))
22		<u>\$. . .</u>
23	<u>Watershed Restoration and Enhancement Bond</u>	
24	<u>Account—State Appropriation.</u>	<u>\$2,000</u>
25	<u>School Construction and Skill Centers Building</u>	
26	<u>Account—State Appropriation.</u>	<u>\$2,000</u>
27	State Taxable Building Construction Account—State	
28	Appropriation	((\$150,000))
29		<u>\$106,000</u>
30	TOTAL APPROPRIATION.	((\$5,213,000))
31		<u>\$4,245,000</u>

32 **Sec. 704.** 2018 c 299 s 703 (uncodified) is amended to read as
33 follows:

34 **FOR SUNDRY CLAIMS**

35 The following sums, or so much thereof as may be necessary, are
36 appropriated from the general fund for fiscal year 2018 or fiscal

1 year 2019, unless otherwise indicated, for relief of various
2 individuals, firms, and corporations for sundry claims.

3 (1) These appropriations are to be disbursed on vouchers approved
4 by the director of the department of enterprise services, except as
5 otherwise provided, for reimbursement of criminal defendants
6 acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as
7 follows:

- 8 (a) John Weiler, claim number 99970144. \$7,975
- 9 (b) Samson Asfaw, claim number 99970145. \$18,873
- 10 (c) Kevon Turner, claim number 99970147. \$9,750
- 11 (d) Arthur Eshe, claim number 99970148. \$12,900
- 12 (e) Woody J. Pierson, claim number 99970235. \$19,789
- 13 (f) Steve Sainsbury, claim number 99970236. \$10,000
- 14 (g) Alee Meneses, claim number 99970245. \$27,043
- 15 (h) Lisa Stanley, claim number 99970247. \$6,522
- 16 (i) Daniel Bandy, claim number 99970248. \$19,381
- 17 (j) Florentino Crisostomo, claim number 99970250. \$11,558
- 18 (k) Vicki Toft, claim number 99970251. \$4,494
- 19 (l) Shane Mitts, claim number 99970252. \$14,050
- 20 (m) Robert Larson, claim number 99970074. \$1,300

21 (2) These appropriations are to be disbursed on vouchers approved
22 by the director of the department of enterprise services, except as
23 otherwise provided, for payment of compensation for wrongful
24 convictions pursuant to RCW 4.100.060, as follows:

- 25 (a) Robert Larson, Tyler Gassman, and Paul Statler, claim numbers
26 99970072-99970074. \$79,000
- 27 (b) Ted Bradford. \$600,000

28 NEW SECTION. Sec. 705. A new section is added to 2018 c 299
29 (uncodified) to read as follows:

30 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—DISASTER RESPONSE ACCOUNT**

31 General Fund—State Appropriation (FY 2019). \$19,280,000

32 The appropriation in this section is subject to the following
33 conditions and limitations: The appropriation in this section, or so
34 much thereof as may be necessary, is provided solely for expenditure
35 into the disaster response account to ensure the account is not in
36 deficit.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2018 c 299 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. ((~~\$9,730,000~~))
\$9,818,000

General Fund Appropriation for prosecuting attorney distributions. \$6,643,000

General Fund Appropriation for boating safety and education distributions. \$4,000,000

General Fund Appropriation for public utility district excise tax distributions. ((~~\$30,230,000~~))
\$31,355,000

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies. ((~~\$3,135,000~~))
\$3,556,000

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution. \$140,000

Timber Tax Distribution Account Appropriation for distribution to "timber" counties. ((~~\$68,009,000~~))
\$76,185,000

County Criminal Justice Assistance Appropriation. \$93,628,000

Municipal Criminal Justice Assistance Appropriation. \$36,908,000

City-County Assistance Appropriation. ((~~\$27,160,000~~))
\$36,142,000

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. ((~~\$20,549,000~~))
\$22,847,000

Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation. \$8,074,000

Columbia River Water Delivery Account Appropriation

1	for the Spokane Tribe of Indians.	\$5,402,000
2	Liquor Revolving Account Appropriation for liquor	
3	profits distribution.	\$98,876,000
4	General Fund Appropriation for other tax	
5	distributions.	\$80,000
6	General Fund Appropriation for Marijuana Excise	
7	Tax distributions.	\$30,000,000
8	General Fund Appropriation for Habitat Conservation	
9	Program distributions.	((\$5,347,000))
10		<u>\$5,150,000</u>
11	TOTAL APPROPRIATION.	((\$503,969,000))
12		<u>\$524,862,000</u>

13 The total expenditures from the state treasury under the
14 appropriations in this section shall not exceed the funds available
15 under statutory distributions for the stated purposes.

16 **Sec. 802.** 2018 c 299 s 802 (uncodified) is amended to read as
17 follows:

18 **FOR THE STATE TREASURER—TRANSFERS**

19 Criminal Justice Treatment Account: For transfer to
20 the state general fund, \$4,450,000 for fiscal
21 year 2018 and \$4,450,000 for fiscal year 2019. \$8,900,000

22 Dedicated Marijuana Account: For transfer to
23 the basic health plan trust account, the lesser
24 of the amount determined pursuant to RCW 69.50.540
25 or this amount plus \$40,494,000 for fiscal year
26 2018, \$226,654,000 and this amount for fiscal year
27 2019, ((~~\$194,000,000~~)) \$186,748,000. ((~~\$420,654,000~~))
28 \$413,402,000

29 Dedicated Marijuana Account: For transfer to
30 the state general fund, the lesser of the amount
31 determined pursuant to RCW 69.50.540 or this
32 amount for fiscal year 2018, \$130,000,000
33 and this amount for fiscal year 2019,
34 ((~~\$137,000,000~~)) \$130,000,000. ((~~\$267,000,000~~))
35 \$260,000,000

36 Aquatic Lands Enhancement Account: For transfer to
37 the clean up settlement account as repayment of
38 the loan provided in section 3022(2) chapter 2,

1 No. 1116 (family and medical leave insurance),
 2 Senate Bill No. 5975 (paid family and medical
 3 leave insurance), or Senate Bill No. 5032
 4 (family and medical leave insurance),
 5 \$82,000,000 for fiscal year 2018. \$82,000,000
 6 Family and Medical Leave Insurance Account: For
 7 transfer to the General Fund as repayment for
 8 start-up costs for the family and medical leave
 9 insurance program pursuant to implementation of
 10 Substitute House Bill No. 1116 (family and
 11 medical leave insurance), Senate Bill No. 5975
 12 (paid family and medical leave insurance),
 13 or Senate Bill No. 5032 (family and medical
 14 leave insurance), the lesser of the amount
 15 determined by the treasurer for full repayment
 16 of the \$82,000,000 transferred from the general
 17 fund in fiscal year 2018 for start-up costs
 18 with any related interest or this amount for
 19 fiscal year 2019, \$90,000,000. \$90,000,000
 20 Public Works Assistance Account: For transfer to the
 21 education legacy trust account, \$136,998,000 for
 22 fiscal year 2018 and \$117,017,000 for fiscal
 23 year 2019. \$254,015,000
 24 General Fund: For transfer to the firearms range
 25 account for fiscal year 2018. \$75,000
 26 New Motor Vehicle Arbitration Account: For transfer
 27 to the state general fund, \$2,000,000 for fiscal
 28 year 2018. \$2,000,000
 29 Local Toxics Control Account: For transfer to the
 30 state toxics control account, \$9,000,000 for
 31 fiscal year 2018 and \$12,000,000 for fiscal
 32 year 2019. \$21,000,000
 33 State Toxics Control Account: For transfer to water
 34 pollution control revolving account, \$3,000 for
 35 fiscal year 2018. \$3,000
 36 Aquatic Lands Enhancement Account: For transfer to
 37 the geoduck aquaculture research account for
 38 fiscal year 2019. \$200,000
 39 General Fund: For transfer to the dedicated McCleary
 40 penalty account for fiscal year 2018. \$105,200,000

1 The amount transferred represents the monetary
 2 sanctions accrued from August 13, 2015, through
 3 June 30, 2018, under the order of the state supreme
 4 court of August 13, 2015, in *McCleary v. State*.
 5 General Fund: For transfer to the disaster response
 6 account for fiscal year 2018. \$58,535,000
 7 Oil Spill Response Account: For transfer to the oil
 8 spill prevention account: \$1,748,000 for fiscal
 9 year 2018 and \$2,973,000 for fiscal year 2019. \$4,721,000
 10 General Fund: For transfer to the Washington
 11 internet crimes against children account for fiscal
 12 year 2018. \$1,500,000
 13 Funeral and Cemetery Account: For transfer to the
 14 skeletal human remains assistance account for fiscal
 15 year 2018. \$15,000
 16 General Fund: For transfer to the statewide tourism
 17 marketing account for fiscal year 2019. \$1,500,000
 18 Public Works Administration Account: For transfer to
 19 the state general fund for fiscal year 2018. \$1,500,000

(End of part)

(End of Bill)

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