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**SUBSTITUTE SENATE BILL 5370**

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**State of Washington**

**65th Legislature**

**2017 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Becker, Bailey, Rivers, O'Ban, Fain, Zeiger, Brown, Fortunato, Warnick, Miloscia, Angel, and Wilson)

READ FIRST TIME 02/16/17.

1 AN ACT Relating to federal funding programs requiring changes in  
2 state law; adding a new section to chapter 44.28 RCW; and creating a  
3 new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that the federal  
6 government has, on occasion, required states to change state law as a  
7 condition of receiving federal funds. There are legal limits to that  
8 practice. In *National Federation of Independent Business (NFIB) v.*  
9 *Sebelius*, 567 U.S. \_\_\_, 132 S. Ct. 2566 (2012), the United States  
10 supreme court ruled that a provision in United States Public Law 111-  
11 148, the patient protection and affordable care act, requiring states  
12 to expand medicaid coverage as a condition of receiving medicaid  
13 funding, was impermissibly coercive.

14 (2) The legislature further finds that requirements in federal  
15 law to change Washington law as a condition of receiving federal  
16 funds have, on occasion, required Washington to expand state  
17 programs, driving costs of state government up and raising concerns  
18 that future federal funding will not cover the expanded obligations.

19 (3) The legislature further finds that these funding conditions  
20 should receive closer scrutiny, and therefore directs the joint  
21 legislative audit and review committee to annually report to the

1 legislature regarding federal funding programs affecting Washington  
2 state health and human services agencies that require changes in  
3 state statutes as a condition of receiving federal funding.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 44.28  
5 RCW to read as follows:

6 Subject to the availability of amounts specifically appropriated  
7 for this purpose, the joint legislative audit and review committee  
8 must, by December 1st each year, report to the legislature regarding  
9 federal funding programs greater than twenty-five million dollars in  
10 biennial expenditures affecting Washington state health and human  
11 services agencies and the common school system that specify  
12 conditions requiring changes in state statutes as a condition of  
13 receiving federal funding.

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