
SENATE BILL 6032

State of Washington

65th Legislature

2018 Regular Session

By Senators Rolfes and Braun; by request of Office of Financial Management

Prefiled 12/18/17.

1 AN ACT Relating to fiscal matters; amending RCW 43.41.433,
2 43.79.445, 80.36.690, 28B.20.476, 41.26.802, 70.105D.070, 79.105.150,
3 and 86.26.007; amending 2017 3rd sp.s. c 1 ss 101, 102, 103, 104,
4 105, 106, 107, 108, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119,
5 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133,
6 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 147, 149,
7 150, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213,
8 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 301, 302, 303, 304,
9 305, 306, 307, 308, 309, 310, 311, 401, 402, 501, 502, 503, 504, 505,
10 507, 508, 510, 511, 512, 513, 514, 515, 516, 518, 519, 520, 605, 606,
11 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620,
12 701, 703, 708, 720, 722, 723, 801, 805, 936, 937, 942, and 944
13 (uncodified); adding new sections to 2017 3rd sp.s. c 1 (uncodified);
14 creating a new section; repealing 2017 3rd sp.s. c 1 s 737
15 (uncodified); making appropriations; and declaring an emergency.

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

17

PART I

18

GENERAL GOVERNMENT

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

1 **FOR THE HOUSE OF REPRESENTATIVES**

2	General Fund—State Appropriation (FY 2018).	((\$37,642,000))
3		<u>\$35,493,000</u>
4	General Fund—State Appropriation (FY 2019).	((\$39,205,000))
5		<u>\$36,922,000</u>
6	Motor Vehicle Account—State Appropriation.	((\$2,011,000))
7		<u>\$2,126,000</u>
8	<u>Pension Funding Stabilization Account—State</u>	
9	<u>Appropriation.</u>	<u>\$4,280,000</u>
10	TOTAL APPROPRIATION.	((\$78,858,000))
11		<u>\$78,821,000</u>

12 The appropriations in this section are subject to the following
13 conditions and limitations: The speaker shall designate one member
14 from each of the major caucuses in the house of representatives as a
15 work group to facilitate public discussions throughout the state
16 regarding Washington's tax structure. As part of this effort, the
17 work group may hold up to seven public meetings in geographically
18 dispersed areas of the state throughout the 2017-2019 fiscal
19 biennium. These discussions may include but are not limited to the
20 advantages and disadvantages of the state's current tax structure and
21 potential options to improve the current structure for the benefit of
22 individuals, families, and businesses in Washington state. The work
23 group is staffed by the office of program research. The work group
24 may report to the house of representatives finance committee and
25 other house of representatives committees upon request of the
26 committee chair.

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

29 **FOR THE SENATE**

30	General Fund—State Appropriation (FY 2018).	((\$26,369,000))
31		<u>\$24,907,000</u>
32	General Fund—State Appropriation (FY 2019).	((\$29,451,000))
33		<u>\$27,943,000</u>
34	Motor Vehicle Account—State Appropriation.	((\$1,903,000))
35		<u>\$1,900,000</u>
36	<u>Pension Funding Stabilization Account—State</u>	
37	<u>Appropriation.</u>	<u>\$2,941,000</u>
38	TOTAL APPROPRIATION.	((\$57,723,000))

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

FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund—State Appropriation (FY 2018)	\$135,000
General Fund—State Appropriation (FY 2019)	\$29,000
Performance Audits of Government—State	
Appropriation	(\$8,619,000)
	<u>\$8,108,000</u>
TOTAL APPROPRIATION	(\$8,783,000)
	<u>\$8,272,000</u>

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

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

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

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

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

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

1 ((+7)) (6)(a) \$250,000 of the performance audit of government—
2 state appropriation is provided solely for the committee to conduct a
3 study of the employment services and community access services
4 provided by the department of social and health services for
5 individuals with a developmental disability. The study should explore
6 the following topics:

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

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

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

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

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

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

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

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

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

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

30 Performance Audits of Government—State

31 Appropriation. ((\$4,175,000))
32 \$4,172,000

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

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

3 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

4	General Fund—State Appropriation (FY 2018).	((\$10,730,000))
5		<u>\$10,317,000</u>
6	General Fund—State Appropriation (FY 2019).	((\$10,254,000))
7		<u>\$10,703,000</u>
8	<u>Pension Funding Stabilization Account—State</u>	
9	<u>Appropriation.</u>	\$825,000
10	TOTAL APPROPRIATION.	((\$20,984,000))
11		<u>\$21,845,000</u>

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

14 **FOR THE OFFICE OF THE STATE ACTUARY**

15	General Fund—State Appropriation (FY 2018).	((\$302,000))
16		<u>\$288,000</u>
17	General Fund—State Appropriation (FY 2019).	((\$308,000))
18		<u>\$293,000</u>
19	State Health Care Authority Administrative Account—State	
20	Appropriation.	\$406,000
21	Department of Retirement Systems Expense	
22	Account—State Appropriation.	((\$5,110,000))
23		<u>\$5,102,000</u>
24	<u>Pension Funding Stabilization Account—State</u>	
25	<u>Appropriation.</u>	\$28,000
26	TOTAL APPROPRIATION.	((\$6,126,000))
27		<u>\$6,117,000</u>

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

30 **FOR THE STATUTE LAW COMMITTEE**

31	General Fund—State Appropriation (FY 2018).	((\$4,936,000))
32		<u>\$4,649,000</u>
33	General Fund—State Appropriation (FY 2019).	((\$5,455,000))
34		<u>\$5,153,000</u>
35	<u>Pension Funding Stabilization Account—State</u>	
36	<u>Appropriation.</u>	\$568,000
37	TOTAL APPROPRIATION.	((\$10,391,000))

1		<u>\$10,370,000</u>
2	Sec. 108. 2017 3rd sp.s. c 1 s 108 (uncodified) is amended to	
3	read as follows:	
4	FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES	
5	General Fund—State Appropriation (FY 2018).	((\$4,043,000))
6		<u>\$3,823,000</u>
7	General Fund—State Appropriation (FY 2019).	((\$4,485,000))
8		<u>\$4,254,000</u>
9	<u>Pension Funding Stabilization Account—State</u>	
10	<u>Appropriation.</u>	<u>\$438,000</u>
11	TOTAL APPROPRIATION.	((\$8,528,000))
12		<u>\$8,515,000</u>
13	Sec. 109. 2017 3rd sp.s. c 1 s 110 (uncodified) is amended to	
14	read as follows:	
15	FOR THE SUPREME COURT	
16	General Fund—State Appropriation (FY 2018).	((\$8,046,000))
17		<u>\$7,712,000</u>
18	General Fund—State Appropriation (FY 2019).	((\$8,368,000))
19		<u>\$8,016,000</u>
20	<u>Pension Funding Stabilization Account—State</u>	
21	<u>Appropriation.</u>	<u>\$671,000</u>
22	TOTAL APPROPRIATION.	((\$16,414,000))
23		<u>\$16,399,000</u>
24	Sec. 110. 2017 3rd sp.s. c 1 s 111 (uncodified) is amended to	
25	read as follows:	
26	FOR THE LAW LIBRARY	
27	General Fund—State Appropriation (FY 2018).	((\$1,685,000))
28		<u>\$1,620,000</u>
29	General Fund—State Appropriation (FY 2019).	((\$1,714,000))
30		<u>\$1,652,000</u>
31	<u>Pension Funding Stabilization Account—State</u>	
32	<u>Appropriation.</u>	<u>\$128,000</u>
33	TOTAL APPROPRIATION.	((\$3,399,000))
34		<u>\$3,400,000</u>

1 **Sec. 111.** 2017 3rd sp.s. c 1 s 112 (uncodified) is amended to
2 read as follows:

3 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

4	General Fund—State Appropriation (FY 2018).	((\$1,340,000))
5		<u>\$1,246,000</u>
6	General Fund—State Appropriation (FY 2019).	((\$1,236,000))
7		<u>\$1,199,000</u>
8	<u>Pension Funding Stabilization Account—State</u>	
9	<u>Appropriation.</u>	\$130,000
10	TOTAL APPROPRIATION.	((\$2,576,000))
11		<u>\$2,575,000</u>

12 **Sec. 112.** 2017 3rd sp.s. c 1 s 113 (uncodified) is amended to
13 read as follows:

14 **FOR THE COURT OF APPEALS**

15	General Fund—State Appropriation (FY 2018).	((\$18,077,000))
16		<u>\$17,342,000</u>
17	General Fund—State Appropriation (FY 2019).	((\$18,860,000))
18		<u>\$18,033,000</u>
19	<u>Pension Funding Stabilization Account—State</u>	
20	<u>Appropriation.</u>	\$1,477,000
21	TOTAL APPROPRIATION.	((\$36,937,000))
22		<u>\$36,852,000</u>

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

25 **FOR THE ADMINISTRATOR FOR THE COURTS**

26	General Fund—State Appropriation (FY 2018).	((\$56,910,000))
27		<u>\$55,154,000</u>
28	General Fund—State Appropriation (FY 2019).	((\$58,751,000))
29		<u>\$64,287,000</u>
30	General Fund—Federal Appropriation.	((\$2,175,000))
31		<u>\$2,174,000</u>
32	General Fund—Private/Local Appropriation.	((\$677,000))
33		<u>\$676,000</u>
34	Judicial Information Systems Account—State	
35	Appropriation.	((\$58,486,000))
36		<u>\$61,065,000</u>
37	Judicial Stabilization Trust Account—State	

1	Appropriation.	((\$6,691,000))
2		<u>\$4,851,000</u>
3	<u>Pension Funding Stabilization Account—State</u>	
4	<u>Appropriation.</u>	<u>\$4,580,000</u>
5	TOTAL APPROPRIATION.	((\$183,690,000))
6		<u>\$192,787,000</u>

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

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

14 (2) \$1,399,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$1,399,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for school districts for
17 petitions to juvenile court for truant students as provided in RCW
18 28A.225.030 and 28A.225.035. The administrator for the courts shall
19 develop an interagency agreement with the superintendent of public
20 instruction to allocate the funding provided in this subsection.
21 Allocation of this money to school districts shall be based on the
22 number of petitions filed. This funding includes amounts school
23 districts may expend on the cost of serving petitions filed under RCW
24 28A.225.030 by certified mail or by personal service or for the
25 performance of service of process for any hearing associated with RCW
26 28A.225.030.

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

38 (b) Each fiscal year during the 2017-2019 fiscal biennium, each
39 county shall report the number of petitions processed and the total

1 actual costs of processing truancy, children in need of services, and
2 at-risk youth petitions. Counties shall submit the reports to the
3 administrator for the courts no later than 45 days after the end of
4 the fiscal year. The administrator for the courts shall
5 electronically transmit this information to the chairs and ranking
6 minority members of the house of representatives and senate fiscal
7 committees no later than 60 days after a fiscal year ends. These
8 reports are deemed informational in nature and are not for the
9 purpose of distributing funds.

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

20 (5) \$4,339,000 of the judicial information systems account—state
21 appropriation is provided solely for the information network hub
22 project.

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

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

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

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

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

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

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

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

21 **FOR THE OFFICE OF PUBLIC DEFENSE**

22	General Fund—State Appropriation (FY 2018).	((\$41,558,000))
23		<u>\$42,467,000</u>
24	General Fund—State Appropriation (FY 2019).	((\$42,539,000))
25		<u>\$47,388,000</u>
26	Judicial Stabilization Trust Account—State	
27	Appropriation.	((\$3,710,000))
28		<u>\$3,713,000</u>
29	<u>Pension Funding Stabilization Account—State</u>	
30	<u>Appropriation.</u>	<u>\$278,000</u>
31	TOTAL APPROPRIATION.	((\$87,807,000))
32		<u>\$93,846,000</u>

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

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

37 (2) \$1,101,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$1,101,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for parents representation
2 program costs related to increased parental rights termination
3 filings from the department of social and health services permanency
4 initiative.

5 (3) \$900,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$900,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely for the purpose of improving the
8 quality of trial court public defense services. The department must
9 allocate these amounts so that \$450,000 per fiscal year is
10 distributed to counties, and \$450,000 per fiscal year is distributed
11 to cities, for grants under chapter 10.101 RCW.

12 (4) \$2,384,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$3,364,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for the office to complete the
15 expansion of the parents representation program in the following
16 counties: Adams, Douglas, Island, Lewis, Lincoln, Okanogan, San Juan,
17 Walla Walla, and the remainder of Pierce.

18 (5) \$490,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$490,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for the parents for parents
21 program. Funds must be used to expand services in four new sites, and
22 maintain and improve service models for the current programs in Grays
23 Harbor/Pacific, King, Kitsap, Pierce, Snohomish, Spokane, and
24 Thurston/Mason counties.

25 (6) \$432,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$432,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for vendor rate increases. Of
28 the amounts provided in this subsection, \$188,000 each fiscal year is
29 provided solely for an increase in the rate for contracted social
30 workers.

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

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

34	General Fund—State Appropriation (FY 2018).	((\$14,855,000))
35		<u>\$15,481,000</u>
36	General Fund—State Appropriation (FY 2019).	((\$16,490,000))
37		<u>\$19,042,000</u>
38	Judicial Stabilization Trust Account—State	

1	Appropriation.	\$1,463,000
2	<u>Pension Funding Stabilization Account—State</u>	
3	Appropriation.	\$44,000
4	TOTAL APPROPRIATION.	((\$32,808,000))
5		<u>\$36,030,000</u>

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

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

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

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

21 **FOR THE OFFICE OF THE GOVERNOR**

22	General Fund—State Appropriation (FY 2018).	((\$6,406,000))
23		<u>\$6,224,000</u>
24	General Fund—State Appropriation (FY 2019).	((\$5,833,000))
25		<u>\$5,832,000</u>

26	<u>Pension Funding Stabilization Account—State</u>	
27	Appropriation.	\$676,000
28	TOTAL APPROPRIATION.	((\$12,239,000))
29		<u>\$12,732,000</u>

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

32 (1) \$703,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$703,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for the office of the education
35 ombuds.

36 (2) \$730,000 of the general fund—state appropriation for fiscal
37 year 2018 is provided solely for implementation of Engrossed Second

1 Substitute House Bill No. 1661 (child, youth, families/department).
2 The amount of state and federal funding to be transferred from the
3 department of social and health services to the department of
4 children, youth, and families for the working connections child care
5 services, administration, and staff must be included in the report
6 required by the bill on how to incorporate the staff responsible for
7 determining eligibility for the working connections child care
8 program into the department of children, youth, and families. If the
9 bill is not enacted by July 31, 2017, the amount provided in this
10 subsection shall lapse.

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

13 **FOR THE LIEUTENANT GOVERNOR**

14	General Fund—State Appropriation (FY 2018).	((\$833,000))
15		<u>\$807,000</u>
16	General Fund—State Appropriation (FY 2019).	((\$859,000))
17		<u>\$832,000</u>
18	General Fund—Private/Local Appropriation.	\$90,000
19	<u>Pension Funding Stabilization Account—State</u>	
20	<u>Appropriation.</u>	<u>\$54,000</u>
21	TOTAL APPROPRIATION.	((\$1,782,000))
22		<u>\$1,783,000</u>

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

25 **FOR THE PUBLIC DISCLOSURE COMMISSION**

26	General Fund—State Appropriation (FY 2018).	((\$2,826,000))
27		<u>\$2,696,000</u>
28	General Fund—State Appropriation (FY 2019).	((\$2,872,000))
29		<u>\$3,095,000</u>
30	<u>Pension Funding Stabilization Account—State</u>	
31	<u>Appropriation.</u>	<u>\$260,000</u>
32	TOTAL APPROPRIATION.	((\$5,698,000))
33		<u>\$6,051,000</u>

34 The appropriations in this section are subject to the following
35 conditions and limitations: \$32,000 of the general fund—state
36 appropriation for fiscal year 2019 is provided solely for modernizing
37 and migrating the public disclosure commission's business

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

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

5 **FOR THE SECRETARY OF STATE**

6	General Fund—State Appropriation (FY 2018).	((<u>\$15,131,000</u>))
7		<u>\$15,717,000</u>
8	General Fund—State Appropriation (FY 2019).	((<u>\$13,465,000</u>))
9		<u>\$13,365,000</u>
10	General Fund—Federal Appropriation.	((<u>\$7,801,000</u>))
11		<u>\$7,791,000</u>
12	Public Records Efficiency, Preservation, and Access	
13	Account—State Appropriation.	((<u>\$9,223,000</u>))
14		<u>\$9,227,000</u>
15	Charitable Organization Education Account—State	
16	Appropriation.	\$673,000
17	Local Government Archives Account—State	
18	Appropriation.	\$10,946,000
19	Election Account—Federal Appropriation.	\$4,387,000
20	Washington State Heritage Center Account—State	
21	Appropriation.	((<u>\$10,383,000</u>))
22		<u>\$10,632,000</u>
23	<u>Pension Funding Stabilization Account—State</u>	
24	<u>Appropriation.</u>	<u>\$959,000</u>
25	TOTAL APPROPRIATION.	((<u>\$72,009,000</u>))
26		<u>\$73,697,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7	General Fund—State Appropriation (FY 2018).	((\$289,000))
8		<u>\$274,000</u>
9	General Fund—State Appropriation (FY 2019).	((\$276,000))
10		<u>\$263,000</u>
11	<u>Pension Funding Stabilization Account—State</u>	
12	<u>Appropriation.</u>	<u>\$28,000</u>
13	TOTAL APPROPRIATION.	\$565,000

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

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

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

28	General Fund—State Appropriation (FY 2018).	((\$253,000))
29		<u>\$240,000</u>
30	General Fund—State Appropriation (FY 2019).	((\$263,000))
31		<u>\$249,000</u>
32	<u>Pension Funding Stabilization Account—State</u>	
33	<u>Appropriation.</u>	<u>\$26,000</u>
34	TOTAL APPROPRIATION.	((\$516,000))
35		<u>\$515,000</u>

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

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

5 **FOR THE STATE AUDITOR**

6	General Fund—State Appropriation (FY 2018).	\$28,000
7	General Fund—State Appropriation (FY 2019).	\$32,000
8	State Auditing Services Revolving Account—State	
9	Appropriation.	((\$10,219,000))
10		<u>\$10,207,000</u>
11	Performance Audit of Government Account—State	
12	Appropriation.	((\$3,019,000))
13		<u>\$3,717,000</u>
14	TOTAL APPROPRIATION.	((\$13,298,000))
15		<u>\$13,984,000</u>

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

18 (1) \$774,000 of the performance audit of government account—state
19 appropriation is provided solely for the state auditor's office to
20 conduct a performance audit of the department of health focused on
21 the fee setting for each health profession licensed by the
22 department. The performance audit must include, but is not limited
23 to:

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

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

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

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

33 (e) A final report of the performance audit must be submitted to
34 the appropriate legislative policy and fiscal committees by December
35 1, 2018.

36 (2) \$1,585,000 of the performance audit of government account—
37 state appropriation is provided solely for staff and related costs to
38 verify the accuracy of reported school district data submitted for

1 state funding purposes; conduct school district program audits of
2 state-funded public school programs; establish the specific amount of
3 state funding adjustments whenever audit exceptions occur and the
4 amount is not firmly established in the course of regular public
5 school audits; and to assist the state special education safety net
6 committee when requested.

7 (3) \$667,000 of the performance audits of government account—
8 state appropriation for fiscal year 2018 is provided solely for the
9 state auditor's office to conduct a performance audit of Washington
10 charter public schools to satisfy the requirement to contract for an
11 independent performance audit pursuant to RCW 28A.710.030(2). The
12 final report of the performance audit must be submitted to the
13 appropriate legislative policy committees by June 30, 2018. The audit
14 must include eight schools currently in their first year of operation
15 and, subject to the availability of data, must address the following
16 questions:

17 (a) Whether the charter school has a charter contract that
18 includes performance provisions based on a performance framework that
19 sets forth academic and operational performance indicators, measures,
20 and metrics;

21 (b) Whether the charter school performance framework includes
22 indicators, measures, and metrics for student academic proficiency,
23 student academic growth, achievement gaps in both proficiency and
24 growth between major student subgroups, attendance, recurrent
25 enrollment from year to year, financial performance and
26 sustainability, and charter school board compliance with applicable
27 laws, rules and terms of the charter contract; and

28 (c) Whether the charter school performance framework includes a
29 disaggregation of student performance data by major student
30 subgroups, including gender, race and ethnicity, poverty status,
31 special education status, English language learner status, and highly
32 capable status.

33 (4) \$700,000 of the performance audit of government account—state
34 appropriation is provided solely for the state auditor's office to
35 conduct ten additional program or agency audits.

36 **Sec. 124.** 2017 3rd sp.s. c 1 s 125 (uncodified) is amended to
37 read as follows:

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

1	General Fund—State Appropriation (FY 2018).	((\$204,000))
2		<u>\$214,000</u>
3	General Fund—State Appropriation (FY 2019).	((\$205,000))
4		<u>\$216,000</u>
5	<u>Pension Funding Stabilization Account—State</u>	
6	Appropriation.	\$30,000
7	TOTAL APPROPRIATION.	((\$409,000))
8		<u>\$460,000</u>

9 **Sec. 125.** 2017 3rd sp.s. c 1 s 126 (uncodified) is amended to
10 read as follows:

11 **FOR THE ATTORNEY GENERAL**

12	General Fund—State Appropriation (FY 2018).	((\$8,641,000))
13		<u>\$7,873,000</u>
14	General Fund—State Appropriation (FY 2019).	((\$8,951,000))
15		<u>\$8,123,000</u>
16	General Fund—Federal Appropriation.	((\$6,969,000))
17		<u>\$8,945,000</u>
18	<u>New Motor Vehicle Arbitration Account—State</u>	
19	Appropriation.	((\$1,145,000))
20		<u>\$1,143,000</u>
21	<u>Legal Services Revolving Account—State</u>	
22	Appropriation.	((\$245,290,000))
23		<u>\$250,700,000</u>
24	<u>Tobacco Prevention and Control Account—State</u>	
25	Appropriation.	\$273,000
26	Medicaid Fraud Penalty Account—State Appropriation.	((\$3,526,000))
27		<u>\$3,508,000</u>
28	<u>Public Service Revolving Account—State</u>	
29	Appropriation.	((\$2,373,000))
30		<u>\$2,724,000</u>
31	Child Rescue Fund—State Appropriation.	((\$550,000))
32		<u>\$500,000</u>
33	Local Government Archives Account—State Appropriation.	\$660,000
34	<u>Pension Funding Stabilization Account—State</u>	
35	Appropriation.	\$1,606,000
36	TOTAL APPROPRIATION.	((\$278,378,000))
37		<u>\$286,055,000</u>

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

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

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

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

26 (4) \$353,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$353,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for a grant to the Washington
29 coalition of crime victim advocates to provide training,
30 certification, and technical assistance for crime victim service
31 center advocates.

32 (5) \$92,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$91,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for implementation of chapter
35 163, Laws of 2017 (SHB 1055) (military members/pro bono).

36 (6) \$49,000 of the legal services revolving account—state
37 appropriation is provided solely for implementation of chapter 268,
38 Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

1 (7) \$276,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$259,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for implementation of chapter
4 294, Laws of 2017 (SSB 5835) (health outcomes/pregnancy).

5 (8) \$22,000 of the legal services revolving account—state
6 appropriation is provided solely for implementation of chapter 295,
7 Laws of 2017 (SHB 1258) (first responders/disability).

8 (9) \$35,000 of the legal services revolving account—state
9 appropriation is provided solely for implementation of chapter 249,
10 Laws of 2017 (ESHB 1714) (nursing staffing/hospitals).

11 (10) \$361,000 of the legal services revolving account—state
12 appropriation and \$660,000 of the local government archives account—
13 state appropriation are provided solely for implementation of chapter
14 303, Laws of 2017 (ESHB 1594) (public records administration).

15 (11) \$40,000 of the general fund—state appropriation for fiscal
16 year 2018 is provided solely for the implementation of chapter 243,
17 Laws of 2017 (HB 1352) (small business owners).

18 (12) \$67,000 of the legal services revolving account—state
19 appropriation is provided solely for the implementation of chapter
20 320, Laws of 2017 (SSB 5322) (dentists and third parties).

21 (13) \$11,000 of the legal services revolving account—state
22 appropriation is provided solely for the implementation of chapter
23 53, Laws of 2017 (2SHB 1120) (regulatory fairness act).

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

26 **FOR THE CASELOAD FORECAST COUNCIL**

27 General Fund—State Appropriation (FY 2018).	((\$1,606,000))
	<u>\$1,565,000</u>
29 General Fund—State Appropriation (FY 2019).	((\$1,576,000))
	<u>\$1,532,000</u>
31 <u>Pension Funding Stabilization Account—State</u>	
32 <u>Appropriation.</u>	<u>\$169,000</u>
33 TOTAL APPROPRIATION.	((\$3,182,000))
	<u>\$3,266,000</u>

35 The appropriations in this section are subject to the following
36 conditions and limitations: In addition to caseload forecasts for
37 common schools as defined in RCW 43.88C.010(7), during the 2017-2019

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

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

5 **FOR THE DEPARTMENT OF COMMERCE**

6	General Fund—State Appropriation (FY 2018).	((\$64,989,000))
7		<u>\$64,190,000</u>
8	General Fund—State Appropriation (FY 2019).	((\$65,634,000))
9		<u>\$74,880,000</u>
10	General Fund—Federal Appropriation.	((\$295,855,000))
11		<u>\$295,836,000</u>
12	General Fund—Private/Local Appropriation.	((\$8,623,000))
13		<u>\$8,621,000</u>
14	Public Works Assistance Account—State	
15	Appropriation.	((\$8,092,000))
16		<u>\$8,085,000</u>
17	Drinking Water Assistance Administrative	
18	Account—State Appropriation.	((\$508,000))
19		<u>\$507,000</u>
20	Lead Paint Account—State Appropriation.	((\$238,000))
21		<u>\$430,000</u>
22	Building Code Council Account—State Appropriation.	\$15,000
23	Home Security Fund Account—State Appropriation.	((\$48,400,000))
24		<u>\$48,398,000</u>
25	Affordable Housing for All Account—State	
26	Appropriation.	((\$13,867,000))
27		<u>\$13,866,000</u>
28	Financial Fraud and Identity Theft Crimes	
29	Investigation and Prosecution Account—State	
30	Appropriation.	\$1,974,000
31	Low-Income Weatherization and Structural	
32	Rehabilitation Assistance Account—State	
33	Appropriation.	\$1,398,000
34	Community and Economic Development Fee Account—State	
35	Appropriation.	((\$4,630,000))
36		<u>\$4,627,000</u>
37	Washington Housing Trust Account—State	
38	Appropriation.	((\$12,617,000))

1		<u>\$12,865,000</u>
2	Prostitution Prevention and Intervention Account—	
3	State Appropriation.	\$26,000
4	Public Facility Construction Loan Revolving	
5	Account—State Appropriation.	((\$842,000))
6		<u>\$840,000</u>
7	Drinking Water Assistance Account—State	
8	Appropriation.	((\$46,000))
9		<u>\$44,000</u>
10	Liquor Revolving Account—State Appropriation.	((\$5,613,000))
11		<u>\$5,764,000</u>
12	Energy Freedom Account—State Appropriation.	((\$6,000))
13		<u>\$4,000</u>
14	Liquor Excise Tax Account—State Appropriation.	((\$665,000))
15		<u>\$663,000</u>
16	Economic Development Strategic Reserve Account—State	
17	Appropriation.	((\$5,611,000))
18		<u>\$2,807,000</u>
19	Financial Services Regulation Account—State	
20	Appropriation.	\$468,000
21	<u>Pension Funding Stabilization Account—State</u>	
22	<u>Appropriation.</u>	<u>\$1,618,000</u>
23	TOTAL APPROPRIATION.	((\$540,117,000))
24		<u>\$547,926,000</u>

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

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

35 (2) \$500,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$500,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for a grant to resolution
38 Washington to building statewide capacity for alternative dispute
39 resolution centers and dispute resolution programs that guarantee

1 that citizens have access to low-cost resolution as an alternative to
2 litigation.

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

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

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

15 (6) (~~(\$5,602,000)~~) \$2,801,000 of the (~~economic development~~
16 ~~strategic reserve account~~) general fund—state appropriation for
17 fiscal year 2019 is provided solely for associate development
18 organizations. During the 2017-2019 fiscal biennium, the department
19 shall consider an associate development organization's total
20 resources when making contracting and fund allocation decisions, in
21 addition to the schedule provided in RCW 43.330.086.

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

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

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

1 (9) \$700,000 of the general fund—state appropriation for fiscal
2 year 2018 and (~~(\$700,000)~~) \$1,437,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for the
4 department to identify and invest in strategic growth areas, support
5 key sectors, and align existing economic development programs and
6 priorities. The department must consider Washington's position as the
7 most trade-dependent state when identifying priority investments. The
8 department must engage states and provinces in the northwest as well
9 as associate development organizations, small business development
10 centers, chambers of commerce, ports, and other partners to leverage
11 the funds provided. For each dollar expended, the department must
12 receive a one hundred percent match. The match may be provided by the
13 department through nongeneral fund sources, or any partnering
14 governments or organizations. Sector leads established by the
15 department must include the industries of: (a) Tourism; (b)
16 agriculture, wood products, and other natural resource industries;
17 and (c) clean technology and renewable and nonrenewable energy. The
18 department may establish these sector leads by hiring new staff,
19 expanding the duties of current staff, or working with partner
20 organizations and or other agencies to serve in the role of sector
21 lead.

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

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

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

36 (13) Within existing resources, the department of commerce shall
37 consult with key crime victim services stakeholders to inform
38 decisions about the funding distribution for federal fiscal years
39 2017-2019 victims of crime act victim assistance funding. These

1 stakeholders must include, at a minimum, children's advocacy centers
2 of Washington, Washington association of prosecuting attorneys,
3 Washington association of sheriffs and police chiefs, Washington
4 coalition against domestic violence, Washington coalition of sexual
5 assault programs, Washington coalition of crime victim advocates, at
6 least one representative from a child health coalition, and other
7 organizations as determined by the department. Funding distribution
8 considerations shall include, but are not limited to, geographic
9 distribution of services, underserved populations, age of victims,
10 best practices, and the unique needs of individuals, families, youth,
11 and children who are victims of crime.

12 (14) \$643,000 of the liquor excise tax account—state
13 appropriation is provided solely for the department of commerce to
14 provide fiscal note assistance to local governments.

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

19 (16) \$150,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$150,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for the regulatory roadmap
22 program for the construction industry and to identify and coordinate
23 with businesses in key industry sectors to develop additional
24 regulatory roadmap tools.

25 (17) \$1,000,000 of the general fund—state appropriation for
26 fiscal year 2018 and \$1,000,000 of the general fund—state
27 appropriation for fiscal year 2019 are provided solely for the
28 Washington new Americans program. The department may require a cash
29 match or in-kind contributions to be eligible for state funding.

30 (18) \$94,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$253,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for implementation of chapter
33 268, Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

34 (19) \$60,000 of the general fund—state appropriation for fiscal
35 year 2018 is provided solely as a grant to the Hoh Indian tribe for
36 critical infrastructure, including a backup electrical power
37 generator to address recurrent power outages in the community.

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

5 (21) \$643,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$643,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely for the department to contract
8 with a private, nonprofit organization to provide developmental
9 disability ombuds services.

10 (22) \$39,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$39,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for implementation of chapter
13 290, Laws of 2017 (ESHB 1109) (victims of sexual assault).

14 (23) \$1,000,000 of the home security fund—state appropriation,
15 \$2,000,000 of the Washington housing trust account—state
16 appropriation, and \$1,000,000 of the affordable housing for all
17 account—state appropriation are provided solely for the department of
18 commerce for services to homeless families and youth through the
19 Washington youth and families fund.

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

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

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

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

36 (c) The department must distribute appropriated amounts from the
37 home security account through performance-based contracts that
38 require, at a minimum, monthly reporting of performance and financial
39 metrics. The contracts must require that auditable documentation for

1 the performance and financial metrics be provided to the joint
2 legislative audit and review committee as requested for performance
3 audits.

4 (25) \$140,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$140,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely to create a behavioral health
7 supportive housing administrator within the department to coordinate
8 development of effective behavioral health housing options and
9 services statewide to aide in the discharge of individuals from the
10 state psychiatric hospitals. This position must work closely with the
11 health care authority, department of social and health services, and
12 other entities to facilitate linkages among disparate behavioral
13 health community bed capacity-building efforts. This position must
14 work to integrate building infrastructure capacity with ongoing
15 supportive housing benefits, and must also develop and maintain a
16 statewide inventory of mental health community beds by bed type.

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

22 (b) The department must distribute appropriated amounts from the
23 home security account through performance-based contracts that
24 require, at a minimum, monthly reporting of performance and financial
25 metrics. The contracts must require that auditable documentation for
26 the performance and financial metrics be provided to the joint
27 legislative audit and review committee as requested for performance
28 audits.

29 (27) \$990,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$1,980,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for 150 community beds for
32 individuals with a history of mental illness. Currently, there is
33 little to no housing specific to populations with these co-occurring
34 disorders; therefore, the department must consider how best to
35 develop new bed capacity in combination with individualized support
36 services, such as intensive case management and care coordination,
37 clinical supervision, mental health, substance abuse treatment, and
38 vocational and employment services. Case-management and care
39 coordination services must be provided. Increased case-managed

1 housing will help to reduce the use of jails and emergency services
2 and will help to reduce admissions to the state psychiatric
3 hospitals. The department must coordinate with the health care
4 authority and the department of social and health services in
5 establishing conditions for the awarding of these funds. The
6 department must contract with local entities to provide a mix of (a)
7 shared permanent supportive housing; (b) independent permanent
8 supportive housing; and (c) low and no-barrier housing beds for
9 people with a criminal history, substance abuse disorder, and/or
10 mental illness.

11 Priority for permanent supportive housing must be given to
12 individuals on the discharge list at the state psychiatric hospitals
13 or in community psychiatric inpatient beds whose conditions present
14 significant barriers to timely discharge.

15 (28) \$557,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$557,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for the department to design and
18 administer the achieving a better life experience program.

19 (29) \$512,000 of the general fund—state appropriation for fiscal
20 year 2018 is provided solely to complete the requirements of the
21 agricultural labor skills and safety grant program in chapter 43.330
22 RCW. This program expires July 1, 2018.

23 (30) \$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 implementation of
26 chapter 225, Laws of 2017 (SSB 5713) (skilled worker program).

27 (31) \$50,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$50,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for the wildfire project in the
30 Wenatchee valley to provide public education on wildfire and forest
31 health issues.

32 (32) \$167,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$167,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for community mobilization
35 grants to safe Yakima and safe streets of Tacoma to foster community
36 engagement through neighborhood organizing, law enforcement-community
37 partnerships, neighborhood watch programs, youth mobilization, and
38 business engagement.

1 (33)(a) \$83,000 of the general fund—state appropriation for
2 fiscal year 2018 and \$83,000 of the general fund—state appropriation
3 for fiscal year 2019 are provided solely for the department to create
4 el nuevo camino pilot project for the purpose of addressing serious
5 youth gang problems in midsize counties in eastern Washington. El
6 nuevo camino pilot project must include one grant to an eligible
7 applicant for the 2017-2019 fiscal biennium. The department shall
8 adopt policies and procedures as necessary to administer the pilot
9 project, including the application process, disbursement of the grant
10 award to the selected applicant, and tracking compliance and
11 measuring outcomes.

12 (b) An eligible applicant:

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

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

17 (iii) Has an identified gang problem;

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

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

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

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

27 (c) The grant recipient must:

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

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

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

39 (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 (45) \$250,000 of the general fund—state appropriation for fiscal
32 year 2019 is provided solely for the department of commerce to
33 establish an innovation and technology in affordable housing
34 navigator for outreach and collaboration with the housing development
35 community, elected officials, city and county staff, financial
36 institutions, and the public to address affordable housing issues.
37 Amounts provided in this subsection must be used for technical
38 assistance in planning, pre-design and design, permitting, and
39 construction of innovative affordable housing technology.

1 (46) \$150,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for a grant to the city of Yakima to
3 establish a gang prevention pilot program. The pilot program shall be
4 modeled after the Denver gang reduction initiative program, with the
5 goal of creating a sustainable organized response to gang activity
6 utilizing evidence-based principles.

7 (47) \$500,000 of the general fund—state appropriation for fiscal
8 year 2019 is provided solely for the department of commerce to
9 conduct a study on the public system response for families in crisis,
10 absent evidence of abuse or neglect, who desire services for
11 effective intervention strategies to address family conflict with the
12 goal to restore or maintain family connections and stability. The
13 department shall work with the department of children, youth and
14 families, the Washington administrative office of the courts, and
15 local jurisdictions to determine what structural changes to the at-
16 risk youth and child in need of services petition processes, as well
17 as family reconciliation services, may be necessary to improve the
18 delivery of services to youth and families in conflict. The
19 department shall provide recommended changes to the office of the
20 governor and appropriate legislative committees not later than
21 December 1, 2018.

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

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

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

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

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

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

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

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

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

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

22	General Fund—State Appropriation (FY 2018).	((\$850,000))
23		<u>\$799,000</u>
24	General Fund—State Appropriation (FY 2019).	((\$905,000))
25		<u>\$852,000</u>
26	Lottery Administrative Account—State Appropriation.	\$50,000
27	<u>Pension Funding Stabilization Account—State</u>	
28	<u>Appropriation.</u>	<u>\$102,000</u>
29	TOTAL APPROPRIATION.	((\$1,805,000))
30		<u>\$1,803,000</u>

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

33 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

34	General Fund—State Appropriation (FY 2018).	((\$11,711,000))
35		<u>\$12,611,000</u>
36	General Fund—State Appropriation (FY 2019).	((\$11,956,000))
37		<u>\$14,118,000</u>

1	General Fund—Federal Appropriation.	((\$39,716,000))
2		<u>\$39,714,000</u>
3	General Fund—Private/Local Appropriation.	((\$501,000))
4		<u>\$843,000</u>
5	Economic Development Strategic Reserve Account—State	
6	Appropriation.	\$314,000
7	<u>Recreation Access Pass Account—State Appropriation.</u>	<u>\$75,000</u>
8	Personnel Service Fund—State Appropriation.	((\$8,882,000))
9		<u>\$9,534,000</u>
10	Higher Education Personnel Services Account—State	
11	Appropriation.	\$1,497,000
12	Performance Audits of Government Account—State	
13	Appropriation.	((\$621,000))
14		<u>\$619,000</u>
15	Statewide Information Technology System Development	
16	Revolving Account—State Appropriation.	((\$6,503,000))
17		<u>\$10,022,000</u>
18	OFM Central Services—State Appropriation.	((\$19,237,000))
19		<u>\$20,187,000</u>
20	<u>Pension Funding Stabilization Account—State</u>	
21	<u>Appropriation.</u>	<u>\$2,448,000</u>
22	TOTAL APPROPRIATION.	((\$100,938,000))
23		<u>\$111,982,000</u>

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

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

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

38 (i) The number of state need grant recipients;

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

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

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

8 (v) State need grant program costs.

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

12 (3) \$149,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$144,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely to implement chapter 172, Laws
15 of 2017 (SHB 1741) (educator preparation data/PESB).

16 (4) \$84,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$75,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely to implement chapter 53, Laws of
19 2017 (2SHB 1120) (regulatory fairness act).

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

34 (6) \$500,000 of the general fund—state appropriation for fiscal
35 year 2018, \$131,000 of the general fund—state appropriation for
36 fiscal year 2019, and \$139,000 of the personnel service account—state
37 appropriation are provided solely for implementation of Engrossed
38 Second Substitute House Bill No. 1661 (children, youth, families
39 department). The cost allocation contract must include a

1 determination of the amount of administrative funding to be
2 transferred between appropriations in sections 223(1) and 223(2) of
3 this act to section 222(3) of this act for the new department of
4 children, youth, and families. If the bill is not enacted by July 31,
5 2017, the amounts provided in this subsection shall lapse.

6 (7) (~~(\$4,503,000)~~) \$8,022,000 of the statewide information
7 technology system development revolving account—state appropriation
8 is provided solely for readiness activities related to the One
9 Washington replacement project to modernize and improve
10 administrative systems and related business processes across state
11 government over a multi-biennia time period and this project is
12 subject to the conditions, limitations, and review provided in
13 section 724 of this act. The funding provided in this subsection is
14 for conducting business warehouse planning and system integrations
15 and contracting with a strategic partner for the design of the long-
16 term program blueprint detailing the readiness, planning, and
17 implementation activities related to this project. Legislative
18 expectation is that the strategic partner selected for this design of
19 this long-term blueprint will have proven experience in successfully
20 managing similar efforts in other states or jurisdictions and that
21 the ultimate project scope will integrate performance information and
22 provide information on discrete units of costs for state governmental
23 activities with the goal of improved management and efficiency. The
24 office of financial management will provide the needed management
25 support for this design effort and will ensure that state agencies
26 fully participate in this initial design effort, including the office
27 of chief information officer. The office of financial management will
28 provide quarterly reports to the legislative fiscal committees and
29 the legislative evaluation and accountability program committee.
30 Before submitting additional funding requests for this project, the
31 office of financial management will submit a comprehensive detailed
32 feasibility study and financial plan for the project to the
33 legislative evaluation and accountability program committee.

34 (8) \$4,000,000 of the general fund—federal appropriation is
35 provided solely for the procurement and implementation of the
36 Washington state all payer claims database project and this project
37 is subject to the conditions, limitations, and review provided in
38 section 724 of this act.

1 (9) \$140,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$140,000 of the general fund—federal appropriation are
3 provided solely for the authority to incorporate long-term inpatient
4 care as defined in RCW 71.24.025 into the psychiatric managed care
5 capitation risk model. The model shall be submitted to the governor
6 and appropriate committees of the legislature by December 1, 2017.
7 The model must integrate civil inpatient psychiatric hospital
8 services including ninety and one hundred eighty day commitments
9 provided in state hospitals or community settings into medicaid
10 managed care capitation rates and nonmedicaid contracts. The model
11 should phase-in the financial risk such that managed care
12 organizations bear full financial risk for long-term civil inpatient
13 psychiatric hospital commitments beginning January 2020. The model
14 must address strategies to ensure that the state is able to maximize
15 the state's allotment of federal disproportionate share funding.

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

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

1 (12) \$75,000 of the recreation access pass account—state
2 appropriation is provided solely for the office of financial
3 management, in consultation with the parks and recreation commission,
4 department of natural resources, and department of fish and wildlife,
5 to further analyze the cost and revenue potential of the options and
6 recommendations in *Recreation Fees in Washington: Options and*
7 *Recommendations* (The William D. Ruckelshaus Center, December 2017).
8 The office must collaborate with other relevant agencies and
9 appropriate stakeholders. The office must provide a report to the
10 appropriate committees of the legislature by September 1, 2018. For
11 each of the options, the report must:

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

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

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

20 (d) Identify fiscal impacts of changing the state access pass to
21 each of the options identified including any combination state and
22 federal recreational access pass options; and

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

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

28 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

29 Administrative Hearings Revolving Account—State

30 Appropriation.	(\$38,898,000)
31	\$39,659,000

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

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

3 **FOR THE WASHINGTON STATE LOTTERY**

4 Lottery Administrative Account—State

5 Appropriation.	((\$28,028,000))
6	<u>\$28,026,000</u>

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

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

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

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

18 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

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

20	<u>\$248,000</u>
21 General Fund—State Appropriation (FY 2019).	((\$268,000))
22	<u>\$255,000</u>
23 <u>Pension Funding Stabilization Account—State</u>	
24 <u>Appropriation.</u>	<u>\$26,000</u>
25 TOTAL APPROPRIATION.	((\$526,000))
26	<u>\$529,000</u>

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

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

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

31	<u>\$269,000</u>
32 General Fund—State Appropriation (FY 2019).	((\$254,000))
33	<u>\$241,000</u>
34 <u>Pension Funding Stabilization Account—State</u>	
35 <u>Appropriation.</u>	<u>\$26,000</u>
36 TOTAL APPROPRIATION.	((\$522,000))
37	<u>\$536,000</u>

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

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

4 Department of Retirement Systems Expense

5 Account—State Appropriation. (~~(\$56,498,000)~~)
6 \$57,378,000

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

9 **FOR THE DEPARTMENT OF REVENUE**

10 General Fund—State Appropriation (FY 2018). (~~(\$140,954,000)~~)
11 \$132,275,000

12 General Fund—State Appropriation (FY 2019). (~~(\$138,496,000)~~)
13 \$135,075,000

14 Timber Tax Distribution Account—State

15 Appropriation. (~~(\$6,772,000)~~)
16 \$6,765,000

17 Waste Reduction/Recycling/Litter Control—State

18 Appropriation. (~~(\$157,000)~~)
19 \$156,000

20 State Toxics Control Account—State Appropriation. (~~(\$112,000)~~)
21 \$111,000

22 Business License Account—State Appropriation. (~~(\$28,211,000)~~)
23 \$14,559,000

24 Performance Audits of Government Account—State

25 Appropriation. \$4,640,000

26 Pension Funding Stabilization Account—State

27 Appropriation. \$13,488,000

28 Financial Services Regulation Account—State

29 Appropriations. \$5,000,000

30 TOTAL APPROPRIATION. (~~(\$324,342,000)~~)
31 \$312,069,000

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

34 (1) \$5,628,000 of the general fund—state appropriation for fiscal
35 year 2018, \$5,628,000 of the general fund—state appropriation for
36 fiscal year 2019, and \$11,257,000 of the business license account—
37 state appropriation are provided solely for the taxpayer legacy
38 system replacement project.

1 ~~((3))~~ (2) Prior to the suspension of the streamlined sales tax
 2 mitigation program established under chapter 82.14 RCW, the
 3 department must analyze if and when expected revenue gains from the
 4 provisions of sections 201 through 213 of House Bill No. 2163 will be
 5 equal to or exceed revenue losses to local taxing districts, as
 6 measured under the streamlined sales tax mitigation system from the
 7 switch to destination sourcing of sales tax. The analysis must
 8 include a comprehensive review of tax, wage, census, and economic
 9 data. The review must consider online sales tax and streamlined sales
 10 tax mitigation trends for areas with rich concentrations of
 11 warehousing distribution and manufacturing centers. The department
 12 must provide a report and recommendations to the governor and
 13 appropriate committees of the legislature by November 1, 2018. If
 14 House Bill No. 2163 (revenue) is not enacted by July 31, 2017, this
 15 subsection is void.

16 ~~((4))~~ (3) \$8,028,000 of the general fund—state appropriation
 17 for fiscal year 2018 and \$6,304,000 of the general fund—state
 18 appropriation for fiscal year 2019 are provided solely for the
 19 implementation of House Bill No. 2163 (revenue). If the bill is not
 20 enacted by July 31, 2017, the amounts provided in this subsection
 21 shall lapse.

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

24 **FOR THE BOARD OF TAX APPEALS**

25	General Fund—State Appropriation (FY 2018).	(((\$1,409,000))
26		<u>\$1,779,000</u>
27	General Fund—State Appropriation (FY 2019).	(((\$1,438,000))
28		<u>\$1,811,000</u>
29	<u>Pension Funding Stabilization Account—State</u>	
30	<u>Appropriation.</u>	<u>\$162,000</u>
31	TOTAL APPROPRIATION.	(((\$2,847,000))
32		<u>\$3,752,000</u>

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

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

36	OMWBE Enterprises Account—State Appropriation.	(((\$4,887,000))
37		<u>\$4,889,000</u>

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

3 **FOR THE INSURANCE COMMISSIONER**

4	General Fund—Federal Appropriation.	((\$4,615,000))
5		<u>\$4,613,000</u>
6	Insurance Commissioners Regulatory Account—State	
7	Appropriation.	((\$59,548,000))
8		<u>\$59,916,000</u>
9	TOTAL APPROPRIATION.	((\$64,163,000))
10		<u>\$64,529,000</u>

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

13 (1) \$48,000 of the insurance commissioners regulatory account—
14 state appropriation is provided solely for implementation of chapter
15 103, Laws of 2017 (EHB 1450) (title insurance rating orgs.).

16 (2) \$12,000 of the insurance commissioners regulatory account—
17 state appropriation is provided solely for implementation of chapter
18 49, Laws of 2017 (SHB 1027) (surplus line broker licenses).

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

21 **FOR THE STATE INVESTMENT BOARD**

22	State Investment Board Expense Account—State	
23	Appropriation.	((\$48,916,000))
24		<u>\$48,907,000</u>

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

27 **FOR THE LIQUOR AND CANNABIS BOARD**

28	Dedicated Marijuana Fund—State Appropriation (FY 2018) ((\$10,400,000))	
29		<u>\$10,386,000</u>
30	Dedicated Marijuana Fund—State Appropriation (FY 2019) ((\$9,596,000))	
31		<u>\$9,550,000</u>
32	Liquor Revolving Account—State Appropriation.	((\$69,578,000))
33		<u>\$69,353,000</u>
34	General Fund—Federal Appropriation.	((\$2,912,000))
35		<u>\$2,905,000</u>
36	General Fund—State Appropriation (FY 2018).	((\$372,000))
37		<u>\$334,000</u>

1	General Fund—State Appropriation (FY 2019).	((\$393,000))
2		<u>\$347,000</u>
3	General Fund—Private/Local Appropriation.	\$50,000
4	<u>Pension Funding Stabilization Account—State</u>	
5	<u>Appropriation.</u>	<u>\$78,000</u>
6	TOTAL APPROPRIATION.	((\$93,301,000))
7		<u>\$93,003,000</u>

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

10 (1) \$11,000 of the liquor revolving account—state appropriation
11 is provided solely for the implementation of chapter 96, Laws of 2017
12 (E2SHB 1351) (sale of spirits, beer and wine).

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

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

28 (4) \$93,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$70,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely to implement and enforce vapor
31 products licensing, packaging, and sales regulations pursuant to
32 chapter 38, Laws of 2016 (ESSB 6328).

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

1 **Sec. 141.** 2017 3rd sp.s. c 1 s 142 (uncodified) is amended to
2 read as follows:

3 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

4	General Fund—Private/Local Appropriation.	((\$16,464,000))
5		<u>\$16,463,000</u>
6	Public Service Revolving Account—State	
7	Appropriation.	((\$40,248,000))
8		<u>\$40,729,000</u>
9	Pipeline Safety Account—State Appropriation.	((\$3,412,000))
10		<u>\$3,413,000</u>
11	Pipeline Safety Account—Federal Appropriation.	((\$3,072,000))
12		<u>\$3,068,000</u>
13	TOTAL APPROPRIATION.	((\$63,196,000))
14		<u>\$63,673,000</u>

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

17 (1) By December 31, 2017, the commission shall report findings
18 and recommendations to the energy committees of the legislature on
19 best practices and policies for electric utilities to develop
20 distributed energy resource plans, applying the traditional utility
21 regulatory principles of fairness, efficiency, reliability, and
22 revenue stability. The report must address: A review of policies and
23 practices for distributed energy resource planning in other states,
24 an inventory of current utility distribution planning practices and
25 capabilities in Washington, and recommendations for using distributed
26 energy resource planning to inform utility integrated resource plans.

27 (2) \$2,093,000 of the public service revolving account—state
28 appropriation is provided solely for the commission to cover the
29 costs of moving its offices to a new location, in cooperation with
30 the department of enterprise services.

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

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

3 **FOR THE MILITARY DEPARTMENT**

4	General Fund—State Appropriation (FY 2018).	((\$7,676,000))
5		<u>\$7,045,000</u>
6	General Fund—State Appropriation (FY 2019).	((\$7,910,000))
7		<u>\$7,257,000</u>
8	General Fund—Federal Appropriation.	((\$118,521,000))
9		<u>\$121,342,000</u>
10	Enhanced 911 Account—State Appropriation.	((\$51,857,000))
11		<u>\$50,846,000</u>
12	Disaster Response Account—State Appropriation.	((\$29,433,000))
13		<u>\$38,670,000</u>
14	Disaster Response Account—Federal Appropriation.	((\$81,560,000))
15		<u>\$101,443,000</u>
16	Military Department Rent and Lease Account—State	
17	Appropriation.	\$615,000
18	Worker and Community Right-to-Know Account—State	
19	Appropriation.	((\$2,339,000))
20		<u>\$2,337,000</u>
21	Oil Spill Prevention Account—State Appropriation.	((\$1,028,000))
22		<u>\$1,026,000</u>
23	<u>Pension Funding Stabilization Account—State</u>	
24	<u>Appropriation.</u>	<u>\$1,243,000</u>
25	TOTAL APPROPRIATION.	((\$300,939,000))
26		<u>\$331,824,000</u>

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

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

37 (2) \$40,000,000 of the general fund—federal appropriation is
38 provided solely for homeland security, subject to the following
39 conditions: Any communications equipment purchased by local

1 jurisdictions or state agencies shall be consistent with standards
2 set by the Washington state interoperability executive committee.

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

7 (4) \$5,389,000 of the enhanced 911 account—state appropriation is
8 provided solely for transitioning to an internet protocol based next
9 generation 911 network and increased network costs during the
10 transition and hardware required for the new system. The department's
11 activities and procurement is a major information technology project
12 subject to oversight and review by the office of the chief
13 information officer.

14 (5) \$11,000,000 of the enhanced 911 account—state appropriation
15 is provided solely for financial assistance to counties.

16 (6) \$2,000,000 of the enhanced 911 account—state appropriation is
17 provided solely for one-time grants to small and medium-sized, rural
18 counties for replacement of equipment necessary to maintain 911
19 service after the state's transition to a next generation 911 system,
20 including reimbursement of replacement and upgrades that have already
21 been made.

22 (7) \$784,000 of the disaster response account—state appropriation
23 is provided solely for fire suppression training ~~((and))~~, equipment,
24 and supporting costs to national guard soldiers and airmen.

25 (8) \$38,000 of the enhanced 911 account—state appropriation is
26 provided solely for implementation of chapter 295, Laws of 2017 (SHB
27 1258) (first responders/disability).

28 (9) \$372,000 of the disaster response account—state appropriation
29 is provided solely for implementation of chapter 312, Laws of 2017
30 (SSB 5046) (language of public notices).

31 (10) Appropriations provided to the department are sufficient to
32 fund the administrative costs associated with implementation of
33 chapter 173, Laws of 2017 (E2SHB 1802) (veterans/shared leave
34 access).

35 (11) ~~((\$951,000))~~ \$190,000 of the disaster response account—state
36 appropriation is provided solely to Okanogan and Ferry counties to
37 continue to address deficiencies within their communications
38 infrastructure for 911 dispatch. Funding will be used to replace
39 failing radio dispatching hardware within 911 dispatch centers; build

1 interoperable communications between each county's dispatch center
2 such that each can serve as a back-up to the other; and build upon
3 the existing wireless microwave network for 911 calls, dispatch
4 centers, and first responder radio operations.

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

7 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

8	General Fund—State Appropriation (FY 2018).	((\$2,076,000))
9		<u>\$1,961,000</u>
10	General Fund—State Appropriation (FY 2019).	((\$2,251,000))
11		<u>\$2,137,000</u>
12	Higher Education Personnel Services Account—State	
13	Appropriation.	((\$1,327,000))
14		<u>\$1,324,000</u>
15	Personnel Service Account—State Appropriation.	\$4,032,000
16	<u>Pension Funding Stabilization Account—State</u>	
17	<u>Appropriation.</u>	<u>\$228,000</u>
18	TOTAL APPROPRIATION.	((\$9,686,000))
19		<u>\$9,682,000</u>

20 **Sec. 144.** 2017 3rd sp.s. c 1 s 145 (uncodified) is amended to
21 read as follows:

22 **FOR THE BOARD OF ACCOUNTANCY**

23	Certified Public Accountants' Account—State	
24	Appropriation.	((\$2,907,000))
25		<u>\$3,244,000</u>

26 **Sec. 145.** 2017 3rd sp.s. c 1 s 147 (uncodified) is amended to
27 read as follows:

28 **FOR THE DEPARTMENT OF ENTERPRISE SERVICES**

29	General Fund—State Appropriation (FY 2018).	((\$4,368,000))
30		<u>\$9,768,000</u>
31	General Fund—State Appropriation (FY 2019).	((\$4,405,000))
32		<u>\$14,352,000</u>
33	General Fund—Private/Local Appropriation.	\$102,000
34	Building Code Council Account—State Appropriation. . .	((\$1,056,000))
35		<u>\$1,130,000</u>
36	TOTAL APPROPRIATION.	((\$9,931,000))

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

(1) \$4,031,000 of the general fund—state appropriation for fiscal year 2018 and \$4,082,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, legislative support services, joint legislative systems committee, and office of support services. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall maintain an interagency agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.

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

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

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

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

(6)(a) During the 2017-2019 fiscal biennium, the department must revise its master contracts with vendors, including cooperative

1 purchasing agreements under RCW 39.26.060, to include a provision to
2 require that each vendor agrees to equality among its workers by
3 ensuring similarly employed individuals are compensated as equals as
4 follows:

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

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

12 (A) A seniority system; a merit system; a system that measures
13 earnings by quantity or quality of production; a bona fide job-
14 related factor or factors; or a bona fide regional difference in
15 compensation levels.

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

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

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

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

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

31 (7) \$347,000 of the general fund—state appropriation is provided
32 solely for the state building code council.

33 **Sec. 146.** 2017 3rd sp.s. c 1 s 149 (uncodified) is amended to
34 read as follows:

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

36 General Fund—State Appropriation (FY 2018).	((\$1,607,000))
37	<u>\$1,581,000</u>
38 General Fund—State Appropriation (FY 2019).	((\$1,633,000))

1		<u>\$1,583,000</u>
2	General Fund—Federal Appropriation.	((\$2,228,000))
3		<u>\$2,225,000</u>
4	General Fund—Private/Local Appropriation.	\$264,000
5	<u>Pension Funding Stabilization Account—State</u>	
6	<u>Appropriation.</u>	<u>\$136,000</u>
7	TOTAL APPROPRIATION.	((\$5,732,000))
8		<u>\$5,789,000</u>

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

16 **Sec. 147.** 2017 3rd sp.s. c 1 s 150 (uncodified) is amended to
17 read as follows:

18 **FOR THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY**

19	General Fund—State Appropriation (FY 2018).	\$187,000
20	General Fund—State Appropriation (FY 2019).	((\$188,000))
21		<u>\$238,000</u>
22	Consolidated Technology Services Revolving	
23	Account—State Appropriation	((\$19,136,000))
24		<u>\$18,580,000</u>
25	TOTAL APPROPRIATION.	((\$19,511,000))
26		<u>\$19,005,000</u>

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

29 (1) \$7,263,000 of the consolidated technology services revolving
30 account—state appropriation is for the office of the chief
31 information officer.

32 (2) \$9,443,000 of the consolidated technology services revolving
33 account—state appropriation is for the office of cyber security.

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

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

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

6 (4) The consolidated technology services agency shall provide
7 desktop support services without charging a per device fee to the
8 following agencies: The governor's office of Indian affairs, the
9 commission on Asian Pacific American affairs, the citizen's
10 commission on salaries for elected officials, the commission on
11 Hispanic affairs, and the commission on African-American affairs. The
12 consolidated technology services agency must not withhold or reduce
13 desktop support services provided to small agencies that had been
14 receiving desktop support services and had not previously received
15 appropriations provided specifically for the purpose of reimbursing
16 the consolidated technology services agency for those services.

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

28 (6) The consolidated technology services agency must not increase
29 fees charged for existing services without prior approval by the
30 office of financial management. The agency may develop fees to
31 recover the actual cost of new infrastructure to support increased
32 use of cloud technologies.

33 (7) \$500,000 of the consolidated technology services revolving
34 account—state appropriation is provided solely for the agency, in
35 collaboration with the office of financial management, to conduct a
36 zero-based budget review of the agency's services. Information and
37 analysis submitted by the department for the zero-based review under
38 this subsection shall include:

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

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

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

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

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

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

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

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

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

24 ~~((+9))~~ (8) Within existing resources, the agency must provide
25 oversight of state procurement and contracting for information
26 technology goods and services by the department of enterprise
27 services.

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

31 (10) \$50,000 of the general fund—state appropriation is provided
32 solely for the creation of a statewide internet speed test. This will
33 enable Washingtonians to test their own broadband speed at home and
34 submit the test to appropriate state agencies to determine internet
35 speeds consumers are receiving.

(End of part)

PART II
HUMAN SERVICES

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

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

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

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

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

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

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

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

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

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

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

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

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

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

35 (b) To the extent that transfers under (a) of this subsection are
36 insufficient to fund actual expenditures in excess of fiscal year
37 2018 caseload forecasts and utilization assumptions in the long-term
38 care, foster care, adoptions support, medical personal care, and
39 child support programs, the department may transfer state moneys that
40 are provided solely for a specified purpose. The department may not

1 transfer funds, and the director of the office of financial
2 management may not approve the transfer, unless the transfer is
3 consistent with the objective of conserving, to the maximum extent
4 possible, the expenditure of state funds. The director of the office
5 of financial management shall notify the appropriate fiscal
6 committees of the senate and house of representatives in writing
7 seven days prior to approving any allotment modifications or
8 transfers under this subsection. The written notification shall
9 include a narrative explanation and justification of the changes,
10 along with expenditures and allotments by budget unit and
11 appropriation, both before and after any allotment modifications or
12 transfers.

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

15 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—CHILDREN AND FAMILY**
16 **SERVICES PROGRAM**

17	General Fund—State Appropriation (FY 2018).	((\$348,992,000))
18		<u>\$342,266,000</u>
19	General Fund—Federal Appropriation.	((\$265,365,000))
20		<u>\$277,937,000</u>
21	General Fund—Private/Local Appropriation.	\$1,477,000
22	Domestic Violence Prevention Account—State	
23	Appropriation.	\$1,002,000
24	<u>Pension Funding Stabilization Account—</u>	
25	<u>State Appropriation.</u>	<u>\$13,904,000</u>
26	TOTAL APPROPRIATION.	((\$616,836,000))
27		<u>\$636,586,000</u>

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

30 (1) \$748,000 of the general fund—state appropriation for fiscal
31 year 2018 is provided solely to contract for the operation of one
32 pediatric interim care center. The center shall provide residential
33 care for up to thirteen children through two years of age. Seventy-
34 five percent of the children served by the center must be in need of
35 special care as a result of substance abuse by their mothers. The
36 center shall also provide on-site training to biological, adoptive,
37 or foster parents. The center shall provide at least three months of
38 consultation and support to the parents accepting placement of

1 children from the center. The center may recruit new and current
2 foster and adoptive parents for infants served by the center. The
3 department shall not require case management as a condition of the
4 contract.

5 (2) \$253,000 of the general fund—state appropriation for fiscal
6 year 2018 is provided solely for the costs of hub home foster
7 families that provide a foster care delivery model that includes a
8 licensed hub home. Use of the hub home model is intended to support
9 foster parent retention, improve child outcomes, and encourage the
10 least restrictive community placements for children in out-of-home
11 care.

12 (3) \$579,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$55,000 of the general fund—federal appropriation are
14 provided solely for a receiving care center east of the Cascade
15 mountains.

16 (4) \$990,000 of the general fund—state appropriation for fiscal
17 year 2018 is provided solely for services provided through children's
18 advocacy centers.

19 (5) \$1,351,000 of the general fund—state appropriation for fiscal
20 year 2018 is provided solely for implementation of performance-based
21 contracts for family support and related services pursuant to RCW
22 74.13B.020.

23 (6) \$9,474,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$6,022,000 of the general fund—federal appropriation
25 are provided solely for family assessment response.

26 (7) \$94,000 of the general fund—state appropriation for fiscal
27 year 2018 is provided solely for a contract with a child advocacy
28 center in Spokane to provide continuum of care services for children
29 who have experienced abuse or neglect and their families.

30 (8) \$1,874,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$560,000 of the general fund—federal appropriation are
32 provided solely for the children's administration to reduce the
33 caseload ratios of social workers serving children in foster care to
34 promote decreased lengths of stay and to make progress towards
35 achievement of the Braam settlement caseload outcome.

36 (9)(a) \$539,000 of the general fund—state appropriation for
37 fiscal year 2018, \$328,000 of the general fund private/local
38 appropriation, and \$126,000 of the general fund—federal appropriation
39 are provided solely for a contract with an educational advocacy

1 provider with expertise in foster care educational outreach. The
2 amounts in this subsection are provided solely for contracted
3 education coordinators to assist foster children in succeeding in
4 K-12 and higher education systems and to assure a focus on education
5 during the department's transition to performance-based contracts.
6 Funding must be prioritized to regions with high numbers of foster
7 care youth, or regions where backlogs of youth that have formerly
8 requested educational outreach services exist. The children's
9 administration is encouraged to use private matching funds to
10 maintain educational advocacy services.

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

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

19 (11) \$111,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$26,000 of the general fund—federal appropriation are
21 provided solely for a base rate increase for licensed family child
22 care providers. In addition, \$45,000 of the general fund—state
23 appropriation for fiscal year 2018 and \$11,000 of the general fund—
24 federal appropriation are provided solely for increasing paid
25 professional days from three days to five days for licensed family
26 child care providers. Amounts in this subsection are provided solely
27 for the 2017-2019 collective bargaining agreement covering family
28 child care providers as set forth in section 940 of this act. Amounts
29 provided in this section are contingent upon the enactment of Senate
30 Bill No. 5969 (transparency in public employee collective
31 bargaining). If the bill is not enacted by July 31, 2017, the
32 appropriation in this subsection shall lapse.

33 (12) \$159,000 of the general fund—state appropriation for fiscal
34 year 2018 and \$65,000 of the general fund—federal appropriation are
35 provided solely to implement chapter 265, Laws of 2017 (SHB 1867)
36 (extended foster care).

37 (13) \$100,000 of the general fund—state appropriation for fiscal
38 year 2018 is provided solely for a contract with a national nonprofit
39 organization to, in partnership with private matching funds,

1 subcontract with a community organization for specialized, enhanced
2 adoption placement services for legally free children in state
3 custody. The contract must supplement, but not supplant, the work of
4 the children's administration to secure permanent adoptive homes for
5 children.

6 (14) \$375,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$56,000 of the general fund—federal appropriation are
8 provided solely for the children's administration to develop,
9 implement, and expand strategies to improve the capacity,
10 reliability, and effectiveness of contracted visitation services for
11 children in temporary out-of-home care and their parents and
12 siblings. Strategies may include, but are not limited to, increasing
13 mileage reimbursement for providers, offering transportation-only
14 contract options, and mechanisms to reduce the level of parent-child
15 supervision when doing so is in the best interest of the child. The
16 children's administration must submit an analysis of the strategies
17 and associated outcomes no later than October 1, 2018.

18 (15) \$63,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$19,000 of the general fund—federal appropriation are
20 provided solely for implementation of Engrossed Second Substitute
21 House Bill No. 1661 (child, youth, families/department). If the bill
22 is not enacted by July 31, 2017, the amounts provided in this
23 subsection shall lapse.

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

27 (17) \$839,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$160,000 of the general fund—federal appropriation are
29 provided solely for a six percent base rate increase for child care
30 center providers, effective September 1, 2017.

31 (18) \$1,230,000 of the general fund—state appropriation for
32 fiscal year 2018 and \$78,000 of the general fund—federal
33 appropriation are provided solely to increase the travel
34 reimbursement for in-home service providers.

35 (19) \$160,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$3,000 of the general fund—federal appropriation are
37 provided solely to implement chapter 207, Laws of 2017 (E2SHB 1819)
38 (paperwork requirements).

1 (20) \$25,000 of the general fund—state appropriation for fiscal
2 year 2018 is provided solely for an entity in Yakima county to
3 provide advocacy and support services to children in foster care.

4 (21) \$203,000 of the general fund—state appropriation for fiscal
5 year 2018 is provided solely for the department to conduct biennial
6 inspections and certifications of facilities, both overnight and day
7 shelters, that serve those who are under 18 years of age and are
8 homeless.

9 (22) \$863,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$573,000 of the general fund—federal appropriation are
11 provided solely to implement Engrossed Substitute Senate Bill No.
12 5890 (foster care and adoption). Within the amounts provided in this
13 subsection, \$366,000 of the general fund—state appropriation for
14 fiscal year 2018 and \$174,000 of the general fund—federal
15 appropriation are provided solely for short-term care for licensed
16 foster families. If the bill is not enacted by July 31, 2017, the
17 amounts provided in this subsection shall lapse.

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

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

22	General Fund—State Appropriation (FY 2018).	((\$95,885,000))
23		<u>\$92,241,000</u>
24	General Fund—State Appropriation (FY 2019).	((\$97,123,000))
25		<u>\$94,741,000</u>
26	General Fund—Federal Appropriation.	\$3,464,000
27	General Fund—Private/Local Appropriation.	\$1,985,000
28	Washington Auto Theft Prevention Authority Account—	
29	State Appropriation.	\$196,000
30	<u>Pension Funding Stabilization Account—State</u>	
31	<u>Appropriation.</u>	<u>\$8,093,000</u>
32	TOTAL APPROPRIATION.	((\$198,653,000))
33		<u>\$200,720,000</u>

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

36 (1) \$331,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$331,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for deposit in the county

1 criminal justice assistance account for costs to the criminal justice
2 system associated with the implementation of chapter 338, Laws of
3 1997 (juvenile code revisions). The amounts provided in this
4 subsection are intended to provide funding for county adult court
5 costs associated with the implementation of chapter 338, Laws of 1997
6 and shall be distributed in accordance with RCW 82.14.310.

7 (2) \$2,841,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$2,841,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for grants to county juvenile
10 courts for the following juvenile justice programs identified by the
11 Washington state institute for public policy (institute) in its
12 report: "Inventory of Evidence-based, Research-based, and Promising
13 Practices for Prevention and Intervention Services for Children and
14 Juveniles in the Child Welfare, Juvenile Justice, and Mental Health
15 Systems." Additional funding for this purpose is provided through an
16 interagency agreement with the health care authority. County juvenile
17 courts shall apply to the juvenile rehabilitation administration for
18 funding for program-specific participation and the administration
19 shall provide grants to the courts consistent with the per-
20 participant treatment costs identified by the institute.

21 (3) \$1,537,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$1,537,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for expansion of the following
24 juvenile justice treatments and therapies in juvenile rehabilitation
25 administration programs identified by the Washington state institute
26 for public policy in its report: "Inventory of Evidence-based,
27 Research-based, and Promising Practices for Prevention and
28 Intervention Services for Children and Juveniles in the Child
29 Welfare, Juvenile Justice, and Mental Health Systems." The
30 administration may concentrate delivery of these treatments and
31 therapies at a limited number of programs to deliver the treatments
32 in a cost-effective manner.

33 (4)(a) \$6,198,000 of the general fund—state appropriation for
34 fiscal year 2018 and \$6,198,000 of the general fund—state
35 appropriation for fiscal year 2019 are provided solely to implement
36 evidence- and research-based programs through community juvenile
37 accountability grants, administration of the grants, and evaluations
38 of programs funded by the grants. In addition to funding provided in
39 this subsection, funding to implement alcohol and substance abuse

1 treatment programs for locally committed offenders is provided
2 through an interagency agreement with the health care authority.

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

31 (c) If Second Substitute House Bill No. 1280 (referred and
32 diverted youth) is enacted, then the administration must implement a
33 stop-loss policy when allocating funding under (b) of this subsection
34 in the 2017-2019 fiscal biennium. Under the stop-loss policy, funding
35 formula changes may not result in a funding loss for any juvenile
36 court of more than two percent from one year to the next. The
37 committee in (d) of this subsection must establish a minimum base
38 level of funding for juvenile courts with lower numbers of at-risk
39 youth age 10 - 17. The administration must report to the legislature
40 by December 1, 2018, about how funding is used for referred youth and

1 the impact of that use on overall use of funding. If the bill is not
2 enacted by July 31, 2017, this subsection is null and void.

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

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

30 (5) \$98,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$98,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely to the juvenile block grant
33 funding formula oversight committee described in subsection (4)(d) of
34 this section to contract with research entities to: (a) Assist
35 juvenile justice programs identified as promising practices or
36 research-based in undergoing the research necessary to demonstrate
37 that the program is evidence-based; and (b) establish an annual,
38 county-level evaluation of existing evidence-based juvenile justice
39 programs.

1 (6) \$557,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$557,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for funding of the teamchild
4 project.

5 (7) \$283,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$283,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely for the juvenile detention
8 alternatives initiative.

9 (8) \$500,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$500,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for a grant program focused on
12 criminal street gang prevention and intervention. The juvenile
13 rehabilitation administration may award grants under this subsection.
14 The juvenile rehabilitation administration shall give priority to
15 applicants who have demonstrated the greatest problems with criminal
16 street gangs. Applicants composed of, at a minimum, one or more local
17 governmental entities and one or more nonprofit, nongovernmental
18 organizations that have a documented history of creating and
19 administering effective criminal street gang prevention and
20 intervention programs may apply for funding under this subsection.
21 Each entity receiving funds must report to the juvenile
22 rehabilitation administration on the number and types of youth
23 served, the services provided, and the impact of those services on
24 the youth and the community.

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

29 (10) \$75,000 of the general fund—state appropriation for fiscal
30 year 2018 is provided solely for the department to coordinate the
31 examination of data associated with juvenile gang and firearm
32 offenses. The review of data must include information from the
33 administrative office of the courts, the office of the superintendent
34 of public instruction, the office of financial management—education
35 research data center, the Washington association of sheriffs and
36 police chiefs, the caseload forecast council, and the department of
37 corrections. For the purpose of carrying out the data review, named
38 organizations are authorized to share data to include details of
39 criminal arrest and conviction data. The department shall report to

1 the governor and the appropriate legislative committees by February
2 1, 2018, with any recommendations for public policy that increases
3 public safety.

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

6 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—MENTAL HEALTH**
7 **PROGRAM**

8 (1) COMMUNITY SERVICES/BEHAVIORAL HEALTH ORGANIZATIONS

9 General Fund—State Appropriation (FY 2018).	((\$391,457,000))
	<u>\$392,571,000</u>
11 (General Fund—State Appropriation (FY 2019).	(\$409,108,000))
12 General Fund—Federal Appropriation.	((\$1,021,705,000))
	<u>\$490,384,000</u>
14 General Fund—Private/Local Appropriation.	((\$17,864,000))
	<u>\$8,932,000</u>
16 Dedicated Marijuana Account—State Appropriation	
17 (FY 2018).	\$3,684,000
18 (Dedicated Marijuana Account—State Appropriation	
19 (FY 2019).	(\$3,684,000))
20 <u>Pension Funding Stabilization Account—State</u>	
21 <u>Appropriation.</u>	<u>\$45,000</u>
22 TOTAL APPROPRIATION.	((\$1,847,502,000))
	<u>\$895,616,000</u>

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

26 (a) For the purposes of this subsection, amounts provided for
27 behavioral health organizations shall also be available for the
28 health care authority to contract with entities that assume the
29 responsibilities of behavioral health organizations in regions in
30 which the health care authority is purchasing medical and behavioral
31 health services through fully integrated contracts pursuant to RCW
32 71.24.380.

33 (b) \$6,590,000 of the general fund—state appropriation for fiscal
34 year 2018(~~(, \$6,590,000 of the general fund—state appropriation for~~
35 ~~fiscal year 2019,)) and ((~~\$7,620,000~~)) \$3,810,000 of the general fund
36 —federal appropriation are provided solely for the department and
37 behavioral health organizations to continue to contract for
38 implementation of high-intensity programs for assertive community~~

1 treatment (PACT) teams. In determining the proportion of medicaid and
2 nonmedicaid funding provided to behavioral health organizations with
3 PACT teams, the department shall consider the differences between
4 behavioral health organizations in the percentages of services and
5 other costs associated with the teams that are not reimbursable under
6 medicaid. The department may allow behavioral health organizations
7 which have nonmedicaid reimbursable costs that are higher than the
8 nonmedicaid allocation they receive under this section to supplement
9 these funds with local dollars or funds received under ~~((+g))~~ (f) of
10 this subsection. The department and behavioral health organizations
11 shall maintain consistency with all essential elements of the PACT
12 evidence-based practice model in programs funded under this section.

13 (c) From the general fund—state appropriations in this
14 subsection, the department shall assure that behavioral health
15 organizations reimburse the department of social and health services
16 aging and long term support administration for the general fund—state
17 cost of medicaid personal care services that enrolled behavioral
18 health organization consumers use because of their psychiatric
19 disability.

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

29 ~~((\$6,858,000 of the general fund state appropriation for
30 fiscal year 2019 and \$4,023,000 of the general fund federal
31 appropriation are provided solely for new crisis triage or
32 stabilization centers. The department must seek proposals from
33 behavioral health organizations for the use of these funds based on
34 regional priorities. Services in these facilities may include crisis
35 stabilization and intervention, individual counseling, peer support,
36 medication management, education, and referral assistance. The
37 department shall monitor each center's effectiveness at lowering the
38 rate of state psychiatric hospital admissions.~~

1 ~~(f))~~) \$15,862,000 of the general fund—state appropriation for
2 fiscal year 2018 is provided solely to assist behavioral health
3 organizations with the costs of providing services to medicaid
4 clients receiving services in psychiatric facilities classified as
5 institutions of mental diseases. The department must distribute these
6 amounts proportionate to the number of bed days for medicaid clients
7 in institutions for mental diseases that were excluded from
8 behavioral health organization fiscal year 2018 capitation rates
9 because they exceeded the amounts allowed under federal regulations.
10 The department must also use these amounts to directly pay for costs
11 that are ineligible for medicaid reimbursement in institutions of
12 mental disease facilities for American Indian and Alaska Natives who
13 opt to receive behavioral health services on a fee for service basis.
14 The amounts used for these individuals must be reduced from the
15 allocation of the behavioral health organization where the individual
16 resides. If a behavioral health organization receives more funding
17 through this subsection than is needed to pay for the cost of their
18 medicaid clients in institutions for mental diseases, they must use
19 the remainder of the amounts to provide other services not covered
20 under the medicaid program. The department must apply for a waiver
21 from the center for medicaid and medicare services to allow for the
22 full cost of stays in institutions of mental diseases to be included
23 in fiscal year 2019 behavioral health organization capitation rates.
24 The department must submit a report on the status of the waiver to
25 the office of financial management and the appropriate committees of
26 the legislature by December 1, 2017.

27 ~~((g))~~) (f) \$81,930,000 of the general fund—state appropriation
28 for fiscal year 2018 ~~((and \$81,930,000 of the general fund—state~~
29 ~~appropriation for fiscal year 2019 are))~~ is provided solely for
30 persons and services not covered by the medicaid program. To the
31 extent possible, levels of behavioral health organization spending
32 shall be maintained in the following priority order: Crisis and
33 commitment services; community inpatient services; and residential
34 care services, including personal care and emergency housing
35 assistance. These amounts must be distributed to behavioral health
36 organizations proportionate to the fiscal year 2017 allocation of
37 flexible nonmedicaid funds. The department must include the following
38 language in medicaid contracts with behavioral health organizations
39 unless they are provided formal notification from the center for

1 medicaid and medicare services that the language will result in the
2 loss of federal medicaid participation: "The contractor may
3 voluntarily provide services that are in addition to those covered
4 under the state plan, although the cost of these services cannot be
5 included when determining payment rates unless including these costs
6 are specifically allowed under federal law or an approved waiver."

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

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

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

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

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

25 (D) Services at the sixteen-bed evaluation and treatment
26 facility.

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

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

37 ~~((+k))~~ (j) Behavioral health organizations may use local funds
38 to earn additional federal medicaid match, provided the locally
39 matched rate does not exceed the upper-bound of their federally

1 allowable rate range, and provided that the enhanced funding is used
2 only to provide medicaid state plan or waiver services to medicaid
3 clients. Additionally, behavioral health organizations may use a
4 portion of the state funds allocated in accordance with (g) of this
5 subsection to earn additional medicaid match, but only to the extent
6 that the application of such funds to medicaid services does not
7 diminish the level of crisis and commitment, community inpatient,
8 residential care, and outpatient services presently available to
9 persons not eligible for medicaid.

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

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

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

1 health organization in accordance with remedial actions provisions
2 included in the contract. These reductions in payments must continue
3 until the department determines that the behavioral health
4 organization has come into substantial compliance with an approved
5 excess reserve corrective action plan.

6 ~~((+o))~~ (n) \$2,309,000 of the general fund—state appropriation
7 for fiscal year 2018 ~~((, —\$3,079,000 of the general fund—state~~
8 ~~appropriation for fiscal year 2019,))~~ and ~~(((\$5,061,000))~~ \$2,169,000
9 of the general fund—federal appropriation are provided solely for the
10 department to increase rates for community hospitals that provide a
11 minimum of 200 medicaid psychiatric inpatient days. The department
12 must increase both medicaid and nonmedicaid psychiatric per-diem
13 reimbursement rates for these providers within these amounts. The
14 amounts in this subsection include funding for additional hold
15 harmless payments resulting from the rate increase. The department
16 shall prioritize increases for hospitals not currently paid based on
17 provider specific costs using a similar methodology used to set rate
18 for existing inpatient facilities and the latest available cost
19 report information. Rate increases for providers must be set so as
20 not to exceed the amounts provided within this subsection. The rate
21 increase related to nonmedicaid clients must be done to maintain the
22 provider at the same percentage as currently required under WAC
23 182-550-4800.

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

35 ~~((+q))~~ (p) \$1,466,000 of the general fund—state appropriation
36 for fiscal year 2018 ~~((, —\$7,103,000 of the general fund—state~~
37 ~~appropriation for fiscal year 2019,))~~ and ~~(((\$9,715,000))~~ \$1,663,000
38 of the general fund—federal appropriation are provided solely for the
39 department to contract with community hospitals or freestanding

1 evaluation and treatment centers to provide up to forty-eight long-
2 term inpatient care beds as defined in RCW 71.24.025. The department
3 must seek proposals and contract directly for these services rather
4 than contracting through behavioral health organizations. The
5 department must coordinate with the department of social and health
6 services in developing the contract requirements, selecting
7 contractors, and establishing processes for identifying patients that
8 will be admitted to these facilities. The department must not use any
9 of the amounts provided under this subsection for contracts with
10 facilities that are subject to federal funding restrictions that
11 apply to institutions of mental diseases, unless they have received a
12 waiver that allows for full federal participation in these
13 facilities.

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

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

1 ranges for each behavioral health organization prior to certification
2 of specific rates.

3 ~~((+t))~~ (r) The number of beds allocated for use by behavioral
4 health organizations at eastern state hospital shall be 192 per day.
5 The number of nonforensic beds allocated for use by behavioral health
6 organizations at western state hospital shall be 557 per day. In
7 fiscal year 2019, the department must reduce the number of beds
8 allocated for use by behavioral health organizations at western state
9 hospital by 30 beds to allow for the repurposing of a civil ward at
10 western state hospital to provide forensic services. The contracted
11 beds provided under ~~((+q))~~ (p) of this subsection shall be allocated
12 to the behavioral health organizations in lieu of beds at the state
13 hospitals and be incorporated in their allocation of state hospital
14 patient days of care for the purposes of calculating reimbursements
15 pursuant to RCW 71.24.310. It is the intent of the legislature to
16 continue the policy of expanding community based alternatives for
17 long term civil commitment services that allow for state hospital
18 beds to be prioritized for forensic patients.

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

1 and the north sound behavioral health organization. In contracting
2 for community evaluation and treatment services, the department may
3 not use these resources in facilities that meet the criteria to be
4 classified under federal law as institutions for mental diseases. If
5 the department is unable to come to a contract agreement with a
6 designated behavioral health organization for any of the services
7 identified above, it may consider contracting for that service in
8 another region that has the need for such service.

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

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

35 ~~((+x))~~ (v) The department, in collaboration with the health care
36 authority, shall work to ensure that a single platform provider
37 credentialing system is implemented. The authority and department
38 shall ensure that appropriate cost offsets and cost avoidance are
39 assumed for reduced staff time required for provider credentialing

1 activity and reductions in improper billing activity when
2 implementing provider credentialing systems.

3 (2) INSTITUTIONAL SERVICES

4	General Fund—State Appropriation (FY 2018).	((\$286,936,000))
5		<u>\$360,935,000</u>
6	General Fund—State Appropriation (FY 2019).	((\$277,823,000))
7		<u>\$338,611,000</u>
8	General Fund—Federal Appropriation.	((\$148,093,000))
9		<u>\$168,794,000</u>
10	General Fund—Private/Local Appropriation.	((\$52,630,000))
11		<u>\$49,368,000</u>
12	<u>Pension Funding Stabilization Account—State</u>	
13	<u>Appropriation.</u>	<u>\$32,214,000</u>
14	TOTAL APPROPRIATION.	((\$765,482,000))
15		<u>\$949,922,000</u>

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

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

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

36 (c) \$45,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$45,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for payment to the city of

1 Lakewood for police services provided by the city at western state
2 hospital and adjacent areas.

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

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

28 (f) \$3,261,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$3,261,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely to maintain implementation of
31 efforts to improve the timeliness of competency evaluation services
32 for individuals who are in local jails pursuant to chapter 5, Laws of
33 2015 (SSB 5889) (timeliness of competency treatment and evaluation
34 services). This funding must be used solely to maintain increases in
35 the number of staff providing competency evaluation services.

36 (g) \$135,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$135,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for the department to hire an
39 on-site safety compliance officer, stationed at Western State

1 Hospital, to provide oversight and accountability of the hospital's
2 response to safety concerns regarding the hospital's work
3 environment.

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

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

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

33 (k) \$1,530,000 of the general fund—state appropriation for fiscal
34 year 2019 is provided solely for purposes of maintaining basic life-
35 and-safety equipment and structures in a manner that supports a safe
36 and compliant environment of care at the state hospitals. The
37 department must develop a budget structure that allows for
38 transparency in the management and monitoring of these expenditures
39 as well as related performance and outcomes. The department must

1 report to the office of financial management on expenditure levels
2 and outcomes achieved at the close of each fiscal year.

3 (1) The department must develop and make progress towards
4 implementing an acuity based staffing model at western state hospital
5 and eastern state hospital that is based on Oregon state hospital's
6 staffing model. The model must take patient mix, staff mix, tasks,
7 and physical plant organization into consideration. In analyzing,
8 developing, and phasing in a state hospital psychiatric staffing
9 model, the department shall:

10 (i) Develop standards for hospital metrics such as staff mix, use
11 of overtime, and use of extra duty pay;

12 (ii) Use the Oregon state hospital staffing model to assess
13 maintenance staffing needs at the state psychiatric hospitals;

14 (iii) Work with the office of financial management's labor
15 relations office and state labor unions to move toward the most
16 appropriate staffing levels and staff mix;

17 (iv) Assess and develop appropriate staffing levels at
18 headquarters to support daily operations at the state psychiatric
19 hospitals, monitor process measures, provide accurate data analysis,
20 and monitor state hospitals budget performance;

21 (v) Use the newly developed staffing model to inform future
22 budget requests for staffing at the state hospitals; and

23 (vi) Develop, track and, report performance measures such as:

24 (A) Hospital treatment results such as: Length of stay, discharge
25 management, active treatment planning, medication administration, and
26 patient and staff aggression;

27 (B) Shared services for consolidated maintenance and operations,
28 consolidated institutional business services, and human resources;
29 and

30 (C) Fiscal management, overtime usage, and recruitment and
31 retention.

32 (3) SPECIAL PROJECTS

33 General Fund—State Appropriation (FY 2018). ((\$514,000))
34 \$458,000

35 ~~((General Fund—State Appropriation (FY 2019). \$508,000))~~

36 General Fund—Federal Appropriation. ((\$25,852,000))
37 \$3,148,000

38 Pension Funding Stabilization Account—State
39 Appropriation. \$56,000

1 TOTAL APPROPRIATION. ((~~\$26,874,000~~))
2 \$3,662,000

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

5 (a) \$446,000 of the general fund—state appropriation for fiscal
6 year 2018, \$446,000 of the general fund—state appropriation for
7 fiscal year 2019, and \$178,000 of the general fund—federal
8 appropriation are provided solely for the University of Washington's
9 evidence-based practice institute which supports the identification,
10 evaluation, and implementation of evidence-based or promising
11 practices. The institute must work with the department to develop a
12 plan to seek private, federal, or other grant funding in order to
13 reduce the need for state general funds. The department must collect
14 information from the institute on the use of these funds and submit a
15 report to the office of financial management and the appropriate
16 fiscal committees of the legislature by December 1st of each year of
17 the biennium.

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

37 (4) PROGRAM SUPPORT

38 General Fund—State Appropriation (FY 2018). ((~~\$10,175,000~~))
39 \$9,194,000

1	General Fund—State Appropriation (FY 2019).	((\$9,543,000))
2		<u>\$2,218,000</u>
3	General Fund—Federal Appropriation.	((\$12,046,000))
4		<u>\$7,803,000</u>
5	General Fund—Private/Local Appropriation.	((\$502,000))
6		<u>\$251,000</u>
7	<u>Pension Funding Stabilization Account—State</u>	
8	<u>Appropriation.</u>	<u>\$603,000</u>
9	TOTAL APPROPRIATION.	((\$32,266,000))
10		<u>\$20,069,000</u>

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

13 (a) The department must complete an update of the state quality
14 strategy required under federal managed care regulations and submit
15 to the center for medicaid and medicare services by October 1, 2017.
16 The department must provide a report to the office of financial
17 management and the appropriate committees of the legislature by
18 December 1, 2017, which includes the following: (i) A copy of the
19 quality strategy submitted to the center for medicaid and medicare
20 services; (ii) identification of all performance measures that are
21 currently being measured for behavioral health organizations, and
22 managed care organizations and the variations in performance among
23 these entities; (iii) identification of any performance measures that
24 are included in behavioral health organization and managed care
25 organization 2018 contracts and whether these measures are connected
26 to payment; and (iv) identification of any performance measures
27 planned for incorporation of behavioral health organization and
28 managed care organization 2019 contracts and whether these measures
29 will be connected to payment 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((s)) 2018 ((and 2019)) to support the costs of the
37 regulatory program. The department's fee schedule shall have
38 differential rates for providers with proof of accreditation from
39 organizations that the department has determined to have

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

9 **Sec. 205.** 2017 3rd sp.s. c 1 s 205 (uncodified) is amended to
10 read as 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).	((\$612,748,000))
15		<u>\$605,615,000</u>
16	General Fund—State Appropriation (FY 2019).	((\$662,252,000))
17		<u>\$664,568,000</u>
18	General Fund—Federal Appropriation.	((\$1,301,629,000))
19		<u>\$1,306,097,000</u>
20	General Fund—Private/Local Appropriation.	((\$534,000))
21		<u>\$2,407,000</u>
22	<u>Pension Funding Stabilization Account—State</u>	
23	<u>Appropriation.</u>	<u>\$5,987,000</u>
24	TOTAL APPROPRIATION.	((\$2,577,163,000))
25		<u>\$2,584,674,000</u>

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

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

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

1 costs and shall include the department's cost of paying providers for
2 the amount of the license fee attributed to medicaid clients.

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

10 (ii) The current annual renewal license fee for assisted living
11 facilities shall be \$106 per bed beginning in fiscal year 2018 and
12 (~~(\$106)~~) \$116 per bed beginning in fiscal year 2019.

13 (iii) The current annual renewal license fee for nursing
14 facilities shall be \$359 per bed beginning in fiscal year 2018 and
15 \$359 per bed beginning in fiscal year 2019.

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

26 (d) \$787,000 of the general fund—state appropriation for fiscal
27 year 2018, \$2,183,000 of the general fund—state appropriation for
28 fiscal year 2019, and \$3,714,000 of the general fund—federal
29 appropriation are provided solely for the homecare agency parity
30 impacts of the agreement between the governor and the service
31 employees international union healthcare 775nw. Funding is contingent
32 upon the enactment of Senate Bill No. 5969 (transparency in public
33 employee collective bargaining). If the bill is not enacted by July
34 31, 2017, the appropriation in this subsection shall lapse.

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

1 require the full payment of the licensing and processing fees would
2 present a hardship to the applicant. In these situations the
3 department is also granted the authority to waive the required
4 residential administrator training for a period of 120 days if
5 necessary to ensure continuity of care during the relicensing
6 process.

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

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

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

1 (i) \$100,000 of the general fund—state appropriation for fiscal
2 year 2018, \$95,000 of the general fund—state appropriation for fiscal
3 year 2019, and \$195,000 of the general fund—federal appropriation are
4 provided solely for discharge case managers stationed at the state
5 psychiatric hospitals. Discharge case managers will transition
6 clients ready for hospital discharge into less restrictive
7 alternative community placements. The transition of clients ready for
8 discharge will free up bed capacity at the state psychiatric
9 hospitals.

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

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

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

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

1 additional evaluations of each placement during the first year that a
2 client has lived in the facility.

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

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

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

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

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

1 include funding to increase the benchmark rate by the following
2 amounts:

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

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

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

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

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

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

34 (ii) Within the amounts provided in this subsection, \$42,000 of
35 the general fund—state appropriation for fiscal year 2018, \$69,000 of
36 the general fund—state appropriation for fiscal year 2019, and
37 \$141,000 of the general fund—federal appropriation are provided
38 solely to increase vendor rates for adult residential care and
39 enhanced adult residential care in the 2017-2019 fiscal biennium up

1 to the statewide minimum wage established in Initiative Measure No.
2 1433.

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

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

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

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

28 (2) INSTITUTIONAL SERVICES

29	General Fund—State Appropriation (FY 2018).	((\$104,159,000))
30		<u>\$101,602,000</u>
31	General Fund—State Appropriation (FY 2019).	((\$106,818,000))
32		<u>\$108,815,000</u>
33	General Fund—Federal Appropriation.	((\$195,757,000))
34		<u>\$205,837,000</u>
35	General Fund—Private/Local Appropriation.	((\$25,041,000))
36		<u>\$27,041,000</u>
37	<u>Pension Funding Stabilization Account—State</u>	
38	<u>Appropriation.</u>	<u>\$10,623,000</u>
39	TOTAL APPROPRIATION.	((\$431,775,000))

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

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

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

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

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

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

(f) \$650,000 of the general fund—state appropriation for fiscal year 2019 and \$651,000 of the general fund—federal appropriation for fiscal year 2019 are provided solely for purposes of maintaining basic life-and-safety equipment and structures in a manner that supports a safe and compliant environment of care at the residential habilitation centers. The department is to develop a budget structure that allows for transparency in the management and monitoring of these expenditures as well as related performance and outcomes. The 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 (3) PROGRAM SUPPORT

4	General Fund—State Appropriation (FY 2018).	((\$2,469,000))
5		<u>\$2,198,000</u>
6	General Fund—State Appropriation (FY 2019).	((\$2,531,000))
7		<u>\$2,245,000</u>
8	General Fund—Federal Appropriation.	((\$2,946,000))
9		<u>\$2,989,000</u>
10	<u>Pension Funding Stabilization Account—State</u>	
11	<u>Appropriation.</u>	<u>\$582,000</u>
12	TOTAL APPROPRIATION.	((\$7,946,000))
13		<u>\$8,014,000</u>

14 (4) SPECIAL PROJECTS

15	General Fund—State Appropriation (FY 2018).	\$64,000
16	General Fund—State Appropriation (FY 2019).	\$64,000
17	General Fund—Federal Appropriation.	\$1,092,000
18	TOTAL APPROPRIATION.	\$1,220,000

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

21 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—AGING AND ADULT**
22 **SERVICES PROGRAM**

23	General Fund—State Appropriation (FY 2018).	((\$1,099,017,000))
24		<u>\$1,081,167,000</u>
25	General Fund—State Appropriation (FY 2019).	((\$1,196,263,000))
26		<u>\$1,200,984,000</u>
27	General Fund—Federal Appropriation.	((\$2,839,653,000))
28		<u>\$2,848,440,000</u>
29	General Fund—Private/Local Appropriation.	((\$33,572,000))
30		<u>\$37,639,000</u>
31	Traumatic Brain Injury Account—State Appropriation.	\$4,540,000
32	Skilled Nursing Facility Safety Net Trust Account—	
33	State Appropriation.	\$133,360,000
34	<u>Pension Funding Stabilization Account—State</u>	
35	<u>Appropriation.</u>	<u>\$11,864,000</u>
36	TOTAL APPROPRIATION.	((\$5,306,405,000))
37		<u>\$5,317,994,000</u>

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

3 (1)(a) For purposes of implementing chapter 74.46 RCW, the
4 weighted average nursing facility payment rate shall not exceed
5 \$201.39 for fiscal year 2018 and shall not exceed \$209.35 for fiscal
6 year 2019.

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

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

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

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

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

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

37 (4) \$1,858,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$1,857,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for operation of the volunteer

1 services program. Funding shall be prioritized towards serving
2 populations traditionally served by long-term care services to
3 include senior citizens and persons with disabilities.

4 (5) \$14,674,000 of the general fund—state appropriation for
5 fiscal year 2018, \$37,239,000 of the general fund—state appropriation
6 for fiscal year 2019, and \$55,716,000 of the general fund—federal
7 appropriation are provided solely for the implementation of the
8 agreement reached between the governor and the service employees
9 international union healthcare 775nw under the provisions of chapters
10 74.39A and 41.56 RCW for the 2017-2019 fiscal biennium. Funding is
11 contingent upon the enactment of Senate Bill No. 5969 (transparency
12 in public employee collective bargaining). If the bill is not enacted
13 by July 31, 2017, the appropriation in this subsection shall lapse.

14 (6) \$4,833,000 of the general fund—state appropriation for fiscal
15 year 2018, \$13,413,000 of the general fund—state appropriation for
16 fiscal year 2019, and \$22,812,000 of the general fund—federal
17 appropriation are provided solely for the homecare agency parity
18 impacts of the agreement between the governor and the service
19 employees international union healthcare 775nw. Funding is contingent
20 upon the enactment of Senate Bill No. 5969 (transparency in public
21 employee collective bargaining). If the bill is not enacted by July
22 31, 2017, the appropriation in this subsection shall lapse.

23 (7) \$5,094,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$5,094,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for services and support to
26 individuals who are deaf, hard of hearing, or deaf-blind.

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

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

4 (10) \$234,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$234,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for the kinship navigator
7 program in the Colville Indian reservation, Yakama Nation, and other
8 tribal areas.

9 (11) \$42,000 of the general fund—state appropriation for fiscal
10 year 2018, \$127,000 of the general fund—state appropriation for
11 fiscal year 2019, and \$169,000 of the general fund—federal
12 appropriation are provided solely to implement chapter 270, Laws of
13 2017 (SB 5118) (personal needs allowance).

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

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

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

24 (i) Four members of the senate, with the leaders of the two
25 largest caucuses each appointing two members, and four members of the
26 house of representatives, with the leaders of the two largest
27 caucuses each appointing two members;

28 (ii) A member from the office of the governor, appointed by the
29 governor;

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

32 (iv) The director of the health care authority or his or her
33 designee;

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

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

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

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

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

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

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

14 (iv) Identify ways to promote advance planning and advance care
15 directives and implementation strategies for the Bree collaborative
16 palliative care and related guidelines;

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

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

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

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

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

34 (c) At least one committee meeting must be devoted to the
35 exploration of legislation that would allow family members to provide
36 personal care services to persons with developmental disabilities or
37 long-term care needs under a voluntary consumer-directed medicaid
38 service program. During the meeting, the committee should hear
39 testimony from as many impacted parties as possible, including
40 clients, providers, advocacy groups, and staff from state agencies.

1 Testimony should explore program design, program oversight, necessary
2 statutory changes, barriers to implementation, fiscal estimates, and
3 timeline for implementation.

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

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

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

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

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

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

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

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

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

24 (15) Within amounts appropriated in this section, the department
25 must pay medicaid nursing facility payment rates for public hospital
26 district providers in rural communities as defined under chapter
27 70.44 RCW that are no less than June 30, 2016, reimbursement levels.
28 This action is intended to assure continued access to essential
29 services in rural communities.

30 (16) \$5,370,000 of the general fund—state appropriation for
31 fiscal year 2018, \$10,199,000 of the general fund—state appropriation
32 for fiscal year 2019, and \$18,346,000 of the general fund—federal
33 appropriation are provided solely for a targeted vendor rate increase
34 to contracted client service providers.

35 (a) Within the amounts provided in this subsection, \$2,763,000 of
36 the general fund—state appropriation for fiscal year 2018, \$5,741,000
37 of the general fund—state appropriation for fiscal year 2019, and
38 \$9,775,000 of the general fund—federal appropriation are provided
39 solely for a vendor rate increase of two percent in fiscal year 2018

1 and an additional two percent in fiscal year 2019 for all contracted
2 vendors with the exception of nursing home providers, the program of
3 all-inclusive care for the elderly, nurse delegators, community
4 residential service providers, individual providers, agency
5 providers, and adult family homes.

6 (b) Within the amounts provided in this subsection, \$2,607,000 of
7 the general fund—state appropriation for fiscal year 2018, \$4,458,000
8 of the general fund—state appropriation for fiscal year 2019, and
9 \$8,571,000 of the general fund—federal appropriation are provided
10 solely to increase vendor rates for nursing homes, assisted living
11 facilities including adult residential care and enhanced adult
12 residential care, adult day health and adult day care providers, and
13 home care agency administration in the 2017-2019 fiscal biennium up
14 to the statewide minimum wage established in Initiative Measure No.
15 1433.

16 (17) \$4,815,000 of the general fund—state appropriation for
17 fiscal year 2018, \$8,527,000 of the general fund—state appropriation
18 for fiscal year 2019, and \$12,277,000 of the general fund—federal
19 appropriation are provided solely to create new community alternative
20 placement beds that prioritize the transition of clients who are
21 ready for discharge from the state psychiatric hospitals, but who
22 have additional long-term care or developmental disability needs.

23 (a) Community alternative placement beds include enhanced service
24 facility beds, adult family home beds, skilled nursing facility beds,
25 shared supportive housing beds, state operated living alternative
26 beds, and assisted living facility beds.

27 (b) Each client must receive an individualized assessment prior
28 to leaving one of the state psychiatric hospitals. The individualized
29 assessment must identify and authorize personal care, nursing care,
30 behavioral health stabilization, physical therapy, or other necessary
31 services to meet the unique needs of each client. It is the
32 expectation that, in most cases, staffing ratios in all community
33 alternative placement options described in (a) of this subsection
34 will need to increase to meet the needs of clients leaving the state
35 psychiatric hospitals. If specialized training is necessary to meet
36 the needs of a client before he or she enters a community placement,
37 then the person centered service plan must also identify and
38 authorize this training.

1 (c) When reviewing placement options, the department must
2 consider the safety of other residents, as well as the safety of
3 staff, in a facility. An initial evaluation of each placement,
4 including any documented safety concerns, must occur within thirty
5 days of a client leaving one of the state psychiatric hospitals and
6 entering one of the community placement options described in (a) of
7 this subsection. At a minimum, the department must perform two
8 additional evaluations of each placement during the first year that a
9 client has lived in the facility.

10 (d) During fiscal year 2018, in a presentation to the select
11 committee on quality improvement in state hospitals, the department
12 must describe the process of fielding and subsequently investigating
13 complaints of abuse, neglect, and exploitation within the community
14 alternative placement options described in (a) of this subsection. At
15 a minimum, the presentation must include data about the number of
16 complaints, and the nature of complaints, over the preceding five
17 fiscal years.

18 (e) During fiscal year 2019, in a presentation to the select
19 committee on quality improvement in state hospitals, the department
20 must provide an update about clients placed out of the state
21 psychiatric hospitals into the community alternative placement
22 options described in (a) of this subsection. At a minimum, for each
23 setting, the presentation must include data about the number of
24 placements, average daily rate, complaints fielded, and complaints
25 investigated. The presentation must also include information about
26 modifications, including the placement of clients into alternate
27 settings, that occurred due to the evaluations required under (c) of
28 this subsection.

29 In developing bed capacity, the department shall consider the
30 complex needs of individuals waiting for discharge from the state
31 psychiatric hospitals.

32 (18) \$315,000 of the general fund—state appropriation for fiscal
33 year 2018, \$315,000 of the general fund—state appropriation for
34 fiscal year 2019, and \$630,000 of the general fund—federal
35 appropriation are provided solely for discharge case managers
36 stationed at the state psychiatric hospitals. Discharge case managers
37 will transition clients ready for hospital discharge into less
38 restrictive alternative community placements. The transition of

1 clients ready for discharge will free up bed capacity at the state
2 psychiatric hospitals.

3 (19) \$135,000 of the general fund—state appropriation for fiscal
4 year 2018, \$135,000 of the general fund—state appropriation for
5 fiscal year 2019, and \$270,000 of the general fund—federal
6 appropriation are provided solely for financial service specialists
7 stationed at the state psychiatric hospitals. Financial service
8 specialists will help to transition clients ready for hospital
9 discharge into alternative community placements. The transition of
10 clients ready for discharge will free up bed capacity at the state
11 hospitals.

12 (20) \$5,007,000 of the general fund—state appropriation for
13 fiscal year 2018, \$5,143,000 of the general fund—state appropriation
14 for fiscal year 2019, and \$10,154,000 of the general fund—federal
15 appropriation are provided solely to implement chapter 286, Laws of
16 2017 (SB 5715) (nursing home payments).

17 (21) \$750,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$750,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely to implement chapter 287, Laws
20 of 2017 (SB 5736) (nutrition programs).

21 (22) \$183,000 of the general fund—state appropriation for fiscal
22 year 2018, \$92,000 of the general fund—state appropriation for fiscal
23 year 2019, and \$2,479,000 of the general fund—federal appropriation
24 are provided solely to finish the programming necessary to give the
25 department the ability to pay individual provider overtime when hours
26 over 40 hours per week are authorized for payment and are subject to
27 the conditions, limitations, and review provided in section 724 of
28 this act.

29 (23) \$229,000 of the general fund—state appropriation for fiscal
30 year 2018, \$229,000 of the general fund—state appropriation for
31 fiscal year 2019, and \$458,000 of the general fund—federal
32 appropriation are provided solely to increase the daily rate for
33 private duty nursing in adult family homes by \$63.77.

34 (24) \$246,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$313,000 of the general fund—federal appropriation are
36 provided solely to implement Senate Bill No. . . . (S-2907.2). If the
37 bill is not enacted by July 31, 2017, the amounts provided in this
38 subsection shall lapse.

1 (25)(a) No more than \$41,388,000 of the general fund—federal
2 appropriation may be expended for tailored support for older adults
3 and medicaid alternative care described in initiative 2 of the
4 medicaid transformation demonstration waiver under healthier
5 Washington. The department shall not increase general fund—state
6 expenditures on this initiative. The secretary in collaboration with
7 the director of the health care authority shall report to the joint
8 select committee on health care oversight no less than quarterly on
9 financial and health outcomes. The secretary in cooperation with the
10 director shall also report to the fiscal committees of the
11 legislature all of the expenditures of this subsection and shall
12 provide such fiscal data in the time, manner, and form requested by
13 the legislative fiscal committees.

14 (b) No more than \$2,200,000 of the general fund—federal
15 appropriation may be expended for supported housing and employment
16 services described in initiative 3a and 3b of the medicaid
17 transformation demonstration waiver under healthier Washington. Under
18 this initiative, the department and the health care authority shall
19 ensure that allowable and necessary services are provided to eligible
20 clients as identified by the department or its providers third party
21 administrator. The department and the authority in consultation with
22 the medicaid forecast work group shall ensure that reasonable
23 reimbursements are established for services deemed necessary within
24 an identified limit per individual. The department shall not increase
25 general fund—state expenditures under this initiative. The secretary
26 in cooperation with the director shall report to the joint select
27 committee on health care oversight no less than quarterly on
28 financial and health outcomes. The secretary in cooperation with the
29 director shall also report to the fiscal committees of the
30 legislature all of the expenditures of this subsection and shall
31 provide such fiscal data in the time, manner, and form requested by
32 the legislative fiscal committees.

33 (26) \$351,000 of the general fund—state appropriation for fiscal
34 year 2018, \$421,000 of the general fund—state appropriation for
35 fiscal year 2019, and \$1,012,000 of the general fund—federal
36 appropriation are provided solely for increasing the hourly rate for
37 nurse delegators from \$32.96 to \$45.32 effective September 1, 2017.

38 (27) \$10,017,000 of the general fund—state appropriation for
39 fiscal year 2018, \$13,111,000 of the general fund—state appropriation

1 for fiscal year 2019, and \$29,104,000 of the general fund—federal
 2 appropriation are provided solely for the implementation of an
 3 agreement reached between the governor and the adult family home
 4 council under the provisions of chapter 41.56 RCW for the 2017-2019
 5 fiscal biennium. Funding is contingent upon the enactment of Senate
 6 Bill No. 5969 (transparency in public employee collective
 7 bargaining). If the bill is not enacted by July 31, 2017, the amounts
 8 provided in this subsection shall lapse.

9 **Sec. 207.** 2017 3rd sp.s. c 1 s 207 (uncodified) is amended to
 10 read as follows:

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

13	General Fund—State Appropriation (FY 2018).	((\$396,063,000))
14		<u>\$389,666,000</u>
15	General Fund—State Appropriation (FY 2019).	((\$415,638,000))
16		<u>\$411,696,000</u>
17	General Fund—Federal Appropriation.	((\$1,421,095,000))
18		<u>\$1,437,588,000</u>
19	General Fund—Private/Local Appropriation.	\$5,144,000
20	Administrative Contingency Account—State	
21	Appropriation.	\$5,400,000
22	<u>Pension Funding Stabilization Account—State</u>	
23	<u>Appropriation.</u>	<u>\$30,204,000</u>
24	TOTAL APPROPRIATION.	((\$2,243,340,000))
25		<u>\$2,279,698,000</u>

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

28 (1)(a) ((~~\$155,022,000~~)) \$152,861,000 of the general fund—state
 29 appropriation for fiscal year 2018, ((~~\$160,136,000~~)) \$161,704,000 of
 30 the general fund—state appropriation for fiscal year 2019,
 31 \$836,761,000 of the general fund—federal appropriation, ((and))
 32 \$5,400,000 of the administrative contingency account—state
 33 appropriation, and \$8,155,000 of the pension funding stabilization
 34 account—state appropriation are provided solely for all components of
 35 the WorkFirst program. Within the amounts provided for the WorkFirst
 36 program, the department may provide assistance using state-only funds
 37 for families eligible for temporary assistance for needy families.
 38 The department must create a WorkFirst budget structure that allows

1 for transparent tracking of budget units and subunits of expenditures
2 where these units and subunits are mutually exclusive from other
3 department budget units. The budget structure must include budget
4 units for the following: Cash assistance, child care, WorkFirst
5 activities, and administration of the program. Within these budget
6 units, the department must develop program index codes for specific
7 activities and develop allotments and track expenditures using these
8 codes. The department shall report to the office of financial
9 management and the relevant fiscal and policy committees of the
10 legislature prior to adopting a structure change.

11 (b) (~~(\$267,057,000)~~) \$256,158,000 of the amounts in (a) of this
12 subsection are provided solely for assistance to clients, including
13 grants, diversion cash assistance, and additional diversion emergency
14 assistance including but not limited to assistance authorized under
15 RCW 74.08A.210. The department may use state funds to provide support
16 to working families that are eligible for temporary assistance for
17 needy families but otherwise not receiving cash assistance. Within
18 amounts provided in (b) of this subsection, \$1,622,000 of the general
19 fund—state appropriation for fiscal year 2019 is provided solely for
20 implementation of Engrossed Substitute Senate Bill No. 5890 (foster
21 care and adoption). If the bill is not enacted by July 31, 2017, the
22 amount provided in this subsection shall lapse.

23 (c) (~~(\$168,005,000)~~) \$163,330,000 of the amounts in (a) of this
24 subsection are provided solely for WorkFirst job search, education
25 and training activities, barrier removal services, limited English
26 proficiency services, and tribal assistance under RCW 74.08A.040. The
27 department must allocate this funding based on client outcomes and
28 cost effectiveness measures. Amounts provided in (c) of this
29 subsection include funding for implementation of chapter 156, Laws of
30 2017 (2SSB 5347) (WorkFirst "work activity"). Within amounts provided
31 in (c) of this subsection, the department shall implement the working
32 family support program. The department shall adopt rules to take
33 effect July 31, 2017, to limit the working family support program at
34 10,000 households.

35 (i) \$1,700,000 of the funds appropriated in (c) of this
36 subsection are provided solely for enhanced transportation assistance
37 provided that the department prioritize the use of these funds for
38 the recipients most in need of financial assistance to facilitate
39 their return to work. The department must not utilize these funds to

1 supplant repayment arrangements that are currently in place to
2 facilitate the reinstatement of drivers' licenses.

3 (ii) Prior to renewal of intergovernmental TANF agreements with a
4 tribe, the department shall request information on the total
5 expenditures and total number of clients served in the tribal TANF
6 program. When the per-client costs in the tribal TANF program have
7 increased since the initial agreement, the department may negotiate a
8 lower state maintenance of effort level based on the increased
9 resources provided by the tribe since the original agreement. The
10 department shall report to the office of financial management and the
11 fiscal committees of the legislature the revised amount of the state
12 maintenance of effort level within two weeks of each newly signed
13 intergovernmental TANF agreement.

14 (d)(i) (~~(\$501,608,000)~~) \$526,365,000 of the amounts in (a) of
15 this subsection are provided solely for the working connections child
16 care program under RCW 43.215.135. In order to not exceed the
17 appropriated amount, the department shall manage the program so that
18 the average monthly caseload does not exceed 33,000 households and
19 the department shall give prioritized access into the program
20 according to the following order:

21 (A) Families applying for or receiving temporary assistance for
22 needy families (TANF);

23 (B) TANF families curing sanction;

24 (C) Foster children;

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

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

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

35 (G) Families that received subsidies within the last thirty days
36 and:

37 (I) Have reapplied for subsidies; and

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

40 (H) All other eligible families.

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

6 (A) Appropriately and accurately processed; and

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

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

12 (II) Household composition; and

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

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

18 (iii) Of the amounts provided in (d) of this subsection,
19 \$4,620,000 of the appropriation for fiscal year 2018 and \$4,792,000
20 of the appropriation for fiscal year 2019 are provided for a base
21 rate increase, a rate increase for Family Friend and Neighbor
22 providers, covering an increase for health insurance premiums, and
23 increasing paid professional development days from three days to five
24 days. This funding is for the 2017-2019 collective bargaining
25 agreement covering family child care providers as set forth in
26 section 940 of this act.

27 (iv) Of the amounts provided in (d) of this subsection,
28 \$8,547,000 of the general fund—state appropriation for fiscal year
29 2018 and \$10,438,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for subsidy base rate increases
31 for child care center providers.

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

35 (f) (~~(\$170,442,000)~~) \$184,779,000 of the amounts in (1)(a) of
36 this section are provided solely for WorkFirst and working
37 connections child care administration and overhead. \$127,000 of the
38 funds appropriated in this subsection for fiscal year 2019 are

1 provided solely for implementation of chapter 9, Laws of 2017 3rd sp.
2 sess. (working connections child care).

3 (g) The amounts in subsections (1)(b) through (e) of this section
4 shall be expended for the programs and in the amounts specified.
5 However, the department may transfer up to 10 percent of funding
6 between subsections (1)(b) through (f) of this section. The
7 department shall provide notification prior to any transfer to the
8 office of financial management and to the appropriate legislative
9 committees and the legislative-executive WorkFirst oversight task
10 force. The approval of the director of financial management is
11 required prior to any transfer under this subsection.

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

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

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

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

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

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

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

37 (i) In the 2017-2019 fiscal biennium, it is the intent of the
38 legislature to provide appropriations from the state general fund for
39 the purposes of (b) through (f) of this subsection if the department
40 does not receive additional federal temporary assistance for needy

1 families contingency funds in each fiscal year as assumed in the
2 budget outlook.

3 (2) \$1,657,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$1,657,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for naturalization services.

6 (3) \$2,366,000 of the general fund—state appropriation for fiscal
7 year 2018 is provided solely for employment services for refugees and
8 immigrants, of which \$1,774,000 is provided solely for the department
9 to pass through to statewide refugee and immigrant assistance
10 organizations for limited English proficiency pathway services; and
11 \$2,366,000 of the general fund—state appropriation for fiscal year
12 2019 is provided solely for employment services for refugees and
13 immigrants, of which \$1,774,000 is provided solely for the department
14 to pass through to statewide refugee and immigrant assistance
15 organizations for limited English proficiency pathway services.

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

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

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

34 (7) \$433,000 of the general fund—state appropriation for fiscal
35 year 2018, \$451,000 of the general fund—state appropriation for
36 fiscal year 2019, and \$6,451,000 of the general fund—federal
37 appropriation are provided solely for ESAR Architectural Development
38 and are subject to the conditions, limitations, and review provided
39 in section 724 of this act.

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

7 (9) \$750,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$750,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for operational support of the
10 Washington information network 211 organization.

11 (10) \$90,000 of the general fund—state appropriation for fiscal
12 year 2018, \$8,000 of the general fund—state appropriation for fiscal
13 year 2019, and \$36,000 of the general fund—federal appropriation are
14 provided solely for implementation of chapter 270, Laws of 2017 (SB
15 5118) (personal needs allowance).

16 ~~((11) \$127,000 of the general fund state appropriation for
17 fiscal year 2019 is provided solely for implementation of Substitute
18 House Bill No. 1624 (working connections child care). If the bill is
19 not enacted by July 31, 2017, the amount provided in this subsection
20 shall lapse.))~~

21 **Sec. 208.** 2017 3rd sp.s. c 1 s 208 (uncodified) is amended to
22 read as follows:

23 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ALCOHOL AND**
24 **SUBSTANCE ABUSE PROGRAM**

25	General Fund—State Appropriation (FY 2018).	((\$78,842,000))
26		<u>\$78,247,000</u>
27	General Fund—State Appropriation (FY 2019).	((\$71,308,000))
28		<u>\$761,000</u>
29	General Fund—Federal Appropriation.	((\$575,249,000))
30		<u>\$303,838,000</u>
31	General Fund—Private/Local Appropriation.	((\$20,211,000))
32		<u>\$10,101,000</u>
33	Criminal Justice Treatment Account—State	
34	Appropriation.	((\$12,978,000))
35		<u>\$6,488,000</u>
36	Problem Gambling Account—State Appropriation.	((\$1,453,000))
37		<u>\$725,000</u>
38	Dedicated Marijuana Account—State Appropriation	

1	(FY 2018).	\$24,802,000
2	((Dedicated Marijuana Account—State Appropriation	
3	(FY 2019).	\$24,802,000))
4	<u>Pension Funding Stabilization Account—State</u>	
5	<u>Appropriation.</u>	<u>\$465,000</u>
6	TOTAL APPROPRIATION.	((\$809,645,000))
7		<u>\$425,427,000</u>

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

10 (1) \$3,278,000 of the dedicated marijuana account—state
11 appropriation for fiscal year 2018 (~~and \$3,278,000 of the dedicated~~
12 ~~marijuana account—state appropriation for fiscal year 2019~~) are
13 provided solely for a memorandum of understanding with the department
14 of social and health services juvenile rehabilitation administration
15 to provide substance abuse treatment programs for juvenile offenders.
16 Of the amounts provided in this subsection:

17 (a) \$1,130,000 of the dedicated marijuana account—state
18 appropriation for fiscal year 2018 (~~and \$1,130,000 of the dedicated~~
19 ~~marijuana account—state appropriation for fiscal year 2019 are~~) is
20 provided solely for alcohol and substance abuse treatment programs
21 for locally committed offenders. The juvenile rehabilitation
22 administration shall award these funds as described in section 203(4)
23 of this act.

24 (b) \$282,000 of the dedicated marijuana account—state
25 appropriation for fiscal year (~~2017 and \$282,000 of the dedicated~~
26 ~~marijuana account—state appropriation for fiscal year 2019 are~~) 2018
27 is provided solely for the expansion of evidence-based treatments and
28 therapies as described in section 203(2) of this act.

29 (2) During the 2017-19 fiscal biennium, any amounts provided in
30 this section that are used for case management services for pregnant
31 and parenting women must be contracted directly between the
32 department and providers rather than through contracts with
33 behavioral health organizations.

34 (3) Within the amounts appropriated in this section, the
35 department may contract with the University of Washington and
36 community-based providers for the provision of the parent-child
37 assistance program or other specialized chemical dependency case
38 management providers for pregnant, post-partum, and parenting women.
39 For all contractors: (i) Service and other outcome data must be

1 provided to the department by request; and (ii) indirect charges for
2 administering the program shall not exceed ten percent of the total
3 contract amount.

4 ~~((4) \$3,500,000))~~ \$1,750,000 of the general fund—federal
5 appropriation (from the substance abuse prevention and treatment
6 federal block grant) is provided solely for the continued funding of
7 existing county drug and alcohol use prevention programs.

8 (5) \$200,000 of the dedicated marijuana account—state
9 appropriation for fiscal year 2018 ~~((and \$200,000 of the dedicated
10 marijuana account—state appropriation for fiscal year 2019 are))~~ is
11 provided solely for a contract with the Washington state institute
12 for public policy to conduct cost-benefit evaluations of the
13 implementation of chapter 3, Laws of 2013 (Initiative Measure No.
14 502).

15 (6) \$500,000 of the dedicated marijuana account—state
16 appropriation for fiscal year 2018 ~~((and \$500,000 of the dedicated
17 marijuana account—state appropriation for fiscal year 2019 are))~~ is
18 provided solely to design and administer the Washington state healthy
19 youth survey and the Washington state young adult behavioral health
20 survey.

21 (7) \$396,000 of the dedicated marijuana account—state
22 appropriation for fiscal year 2018 ~~((and \$396,000 of the dedicated
23 marijuana account—state appropriation for fiscal year 2019 are))~~ is
24 provided solely for maintaining increased services to pregnant and
25 parenting women provided through the parent child assistance program.

26 (8) \$250,000 of the dedicated marijuana account—state
27 appropriation for fiscal year 2018 ~~((and \$250,000 of the dedicated
28 marijuana account—state appropriation for fiscal year 2019 are))~~ is
29 provided solely for a grant to the office of superintendent of public
30 instruction to provide life skills training to children and youth in
31 schools that are in high needs communities.

32 (9) \$386,000 of the dedicated marijuana account—state
33 appropriation for fiscal year 2018 ~~((and \$386,000 of the dedicated
34 marijuana account—state appropriation for fiscal year 2019 are))~~ is
35 provided solely to maintain increased prevention and treatment
36 services provided by tribes to children and youth.

37 (10) \$2,684,000 of the dedicated marijuana account—state
38 appropriation for fiscal year 2018 ~~((, \$2,684,000 of the dedicated
39 marijuana account—state appropriation for fiscal year 2019,))~~ and

1 (~~(\$1,900,000)~~) \$950,000 of the general fund—federal appropriation are
2 provided solely to maintain increased residential treatment services
3 for children and youth.

4 (11) \$250,000 of the dedicated marijuana account—state
5 appropriation for fiscal year 2018 (~~(and \$250,000 of the dedicated~~
6 ~~marijuana account—state appropriation for fiscal year 2019 are)~~) is
7 provided solely for training and technical assistance for the
8 implementation of evidence based, research based, and promising
9 programs which prevent or reduce substance use disorders.

10 (12) \$2,434,000 of the dedicated marijuana account—state
11 appropriation for fiscal year 2018 (~~(and \$2,434,000 of the dedicated~~
12 ~~marijuana account—state appropriation for fiscal year 2019 are)~~) is
13 provided solely for expenditure into the home visiting services
14 account.

15 (13) \$2,500,000 of the dedicated marijuana account—state
16 appropriation for fiscal year 2018 (~~(and \$2,500,000 of the dedicated~~
17 ~~marijuana account—state appropriation for fiscal year 2019 are)~~) is
18 provided solely for grants to community-based programs that provide
19 prevention services or activities to youth, including programs for
20 school-based resource officers. These funds must be utilized in
21 accordance with RCW 69.50.540.

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

1 (15) (~~(\$1,125,000)~~) \$563,000 of the general fund—federal
2 appropriation is provided solely for the department to develop a
3 memorandum of understanding with the department of health for
4 implementation of chapter 297, Laws of 2017 (ESHB 1427) (opioid
5 treatment programs). The department must use these amounts to
6 reimburse the department of health for costs incurred through the
7 implementation of the bill.

8 (16) \$891,000 of the general fund—state appropriation for fiscal
9 year 2018(~~(, \$2,580,000 of the general fund—state appropriation for~~
10 ~~fiscal year 2019,)) and (~~(\$2,755,000)~~) \$435,000 of the general fund—
11 federal appropriation are provided solely for the development and
12 operation of two secure detoxification facilities. The department
13 must not use any of these amounts for services in facilities that are
14 subject to federal funding restrictions that apply to institutions
15 for mental diseases, unless they have received a waiver that allows
16 for full federal participation in these facilities.~~

17 (17) (~~(\$1,000,000)~~) \$500,000 of the criminal justice treatment
18 account—state appropriation is provided solely to maintain increased
19 funding for substance abuse treatment and support services for
20 offenders and support of drug courts.

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

33 (19) \$100,000 of the general fund—state appropriation for fiscal
34 year 2018 (~~(and \$100,000 of the general fund—state appropriation for~~
35 ~~fiscal year 2019 are)) is provided solely for parenting education
36 services focused on pregnant and parenting women.~~

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

1 (21) In accordance with RCW 70.96A.090, 71.24.035, 43.20B.110,
 2 and 43.135.055, the department is authorized to adopt fees for the
 3 review and approval of mental health and substance use disorder
 4 treatment programs in fiscal ~~((years))~~ year 2018 ~~((and—2019))~~ as
 5 necessary to support the costs of the regulatory program. The
 6 department's fee schedule shall have differential rates for providers
 7 with proof of accreditation from organizations that the department
 8 has determined to have substantially equivalent standards to those of
 9 the department, including but not limited to the joint commission on
 10 accreditation of health care organizations, the commission on
 11 accreditation of rehabilitation facilities, and the council on
 12 accreditation. To reflect the reduced costs associated with
 13 regulation of accredited programs, the department's fees for
 14 organizations with such proof of accreditation must reflect the lower
 15 cost of licensing for these programs than for other organizations
 16 which are not accredited. To the extent that the fees charged in
 17 fiscal year 2018 are not expected to fully cover the cost of the
 18 program, the department must submit a report to the office of
 19 financial management and the appropriate fiscal committees of the
 20 legislature identifying what further increases would be required and
 21 the differential impact on providers. This report must be submitted
 22 by December 1, 2017.

23 **Sec. 209.** 2017 3rd sp.s. c 1 s 209 (uncodified) is amended to
 24 read as follows:

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

27	General Fund—State Appropriation (FY 2018).	(((\$14,899,000))
28		<u>\$13,279,000</u>
29	General Fund—State Appropriation (FY 2019).	(((\$15,603,000))
30		<u>\$13,805,000</u>
31	General Fund—Federal Appropriation.	(((\$97,328,000))
32		<u>\$109,730,000</u>
33	<u>Pension Funding Stabilization Account—State</u>	
34	<u>Appropriation.</u>	<u>\$3,381,000</u>
35	TOTAL APPROPRIATION.	(((\$127,830,000))
36		<u>\$140,195,000</u>

1 **Sec. 210.** 2017 3rd sp.s. c 1 s 210 (uncodified) is amended to
2 read as follows:

3 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—SPECIAL COMMITMENT**
4 **PROGRAM**

5	General Fund—State Appropriation (FY 2018).	((\$45,488,000))
6		<u>\$43,961,000</u>
7	General Fund—State Appropriation (FY 2019).	((\$46,173,000))
8		<u>\$45,008,000</u>
9	<u>Pension Funding Stabilization Account—State</u>	
10	<u>Appropriation.</u>	<u>\$4,372,000</u>
11	TOTAL APPROPRIATION.	((\$91,661,000))
12		<u>\$93,341,000</u>

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

18 **Sec. 211.** 2017 3rd sp.s. c 1 s 211 (uncodified) is amended to
19 read as follows:

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

22	General Fund—State Appropriation (FY 2018).	((\$36,681,000))
23		<u>\$34,516,000</u>
24	General Fund—State Appropriation (FY 2019).	((\$30,791,000))
25		<u>\$32,294,000</u>
26	General Fund—Federal Appropriation.	((\$39,963,000))
27		<u>\$45,028,000</u>
28	((General Fund—Private/Local Appropriation.	(\$654,000))
29	<u>Pension Funding Stabilization Account—State</u>	
30	<u>Appropriation.</u>	<u>\$5,908,000</u>
31	TOTAL APPROPRIATION.	((\$108,089,000))
32		<u>\$117,746,000</u>

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

35 (1) \$300,000 of the general fund—state appropriation for fiscal
36 year 2018 and ((~~\$300,000~~)) \$500,000 of the general fund—state
37 appropriation for fiscal year 2019 are provided solely for a

1 Washington state mentoring organization to continue its public-
2 private partnerships to provide technical assistance and training to
3 mentoring programs that serve at-risk youth.

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

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

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

15 (c) The average annual participation rate in the program;

16 (d) Participation rates by geographic distribution; and

17 (e) The annual federal funding of the program in Washington.

18 (3) \$1,216,000 of the general fund—state appropriation for fiscal
19 year 2019 and \$515,000 of the general fund—federal appropriation are
20 provided solely for the implementation of Engrossed Second Substitute
21 House Bill No. 1661 (child, youth, families department). If the bill
22 is not enacted by July 31, 2017, the amount provided in this
23 subsection shall lapse.

24 (4) \$81,000 of the general fund—state appropriation for fiscal
25 year 2018, \$86,000 of the general fund—state appropriation for fiscal
26 year 2019, and \$167,000 of the general fund—federal appropriation are
27 provided solely for the implementation of an agreement reached
28 between the governor and the Washington federation of state employees
29 for the language access providers under the provisions of chapter
30 41.56 RCW for the 2017-2019 fiscal biennium. Funding is contingent
31 upon the enactment of Senate Bill No. 5969 (transparency in public
32 employee collective bargaining). If the bill is not enacted by July
33 31, 2017, the amounts provided is this subsection shall lapse.

34 **Sec. 212.** 2017 3rd sp.s. c 1 s 212 (uncodified) is amended to
35 read as follows:

36 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER**
37 **AGENCIES PROGRAM**

38 General Fund—State Appropriation (FY 2018). (~~(\$81,319,000)~~)

1		<u>\$82,806,000</u>
2	General Fund—State Appropriation (FY 2019).	((\$43,380,000))
3		<u>\$44,361,000</u>
4	General Fund—Federal Appropriation.	((\$57,578,000))
5		<u>\$58,631,000</u>
6	TOTAL APPROPRIATION.	((\$182,277,000))
7		<u>\$185,798,000</u>

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

10 (1) \$39,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$11,000 of the general fund—federal appropriation are
12 provided solely for the implementation of Engrossed Second Substitute
13 House Bill No. 1661 (child, youth, families department). If the bill
14 is not enacted by July 31, 2017, the amounts provided in this
15 subsection shall lapse.

16 (2) \$12,000 of the general fund—state appropriation for fiscal
17 year 2018, \$12,000 of the general fund—state appropriation for fiscal
18 year 2019, and \$24,000 of the general fund—federal appropriation are
19 provided solely for the implementation of chapter 268, Laws of 2017
20 (2SHB 1402) (incapacitated persons/rights).

21 **Sec. 213.** 2017 3rd sp.s. c 1 s 213 (uncodified) is amended to
22 read as follows:

23 **FOR THE STATE HEALTH CARE AUTHORITY**

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

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

36 The health care authority shall not initiate any services that
37 require expenditure of state general fund moneys unless expressly
38 authorized in this act or other law. The health care authority may

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

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

33 (1) MEDICAL ASSISTANCE

34	General Fund—State Appropriation (FY 2018)	((\$2,065,747,000))
35		<u>\$2,119,153,000</u>
36	General Fund—State Appropriation (FY 2019). . . .	((\$2,114,943,000))
37		<u>\$2,206,382,000</u>
38	General Fund—Federal Appropriation.	((\$11,503,815,000))
39		<u>\$11,979,944,000</u>

1	General Fund—Private/Local Appropriation.	((\$232,300,000))
2		<u>\$201,369,000</u>
3	Emergency Medical Services and Trauma Care Systems	
4	Trust Account—State Appropriation.	\$15,086,000
5	Hospital Safety Net Assessment Account—State	
6	Appropriation.	((\$725,012,000))
7		<u>\$690,569,000</u>
8	Medicaid Fraud Penalty Account—State Appropriation.	((\$28,163,000))
9		<u>\$28,153,000</u>
10	Medical Aid Account—State Appropriation.	\$528,000
11	Dedicated Marijuana Account—State Appropriation	
12	(FY 2018).	\$16,205,000
13	Dedicated Marijuana Account—State Appropriation	
14	(FY 2019).	\$17,039,000
15	((State Health Care Authority Administrative Account—	
16	State Appropriation.	\$7,000))
17	<u>Pension Funding Stabilization Account—State</u>	
18	<u>Appropriation.</u>	<u>\$4,538,000</u>
19	TOTAL APPROPRIATION.	((\$16,718,845,000))
20		<u>\$17,278,966,000</u>

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

23 (a) \$256,645,000 of the general fund—state appropriation for
24 fiscal year 2018 and \$264,704,000 of the general fund—state
25 appropriation for fiscal year 2019 are provided solely for the
26 authority to implement a single, standard medicaid preferred drug
27 list to be used by all contracted medicaid managed health care
28 systems, on or before January 1, 2018. The preferred drug list shall
29 be developed in consultation with all contracted managed health care
30 systems and the state pharmacy and therapeutics committee or drug
31 utilization review board and shall further the goals and objectives
32 of the medicaid program. The list shall be designed to maximize
33 federal rebates and supplemental rebates and ensure access to
34 clinically effective and appropriate drug therapies under each class.
35 Entities eligible for 340B drug pricing shall continue to operate
36 under their current pricing agreement, unless otherwise required by
37 federal laws or regulations. The authority may utilize external
38 consultants with expertise in evidence-based drug class reviews,
39 pharmacy benefit management, and purchasing to assist with the

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

36 (b) \$118,813,000 of the general fund—state appropriation for
37 fiscal year 2018 and \$120,265,000 of the general fund—state
38 appropriation for fiscal year 2019 are provided solely for holding
39 managed care capitation rates flat at calendar year 2017 levels in
40 state fiscal years and calendar years 2018 and 2019.

1 (c) \$122,244,000 of the general fund—state appropriation for
2 fiscal year 2018 and \$116,038,000 of the general fund—state
3 appropriation for fiscal year 2019 are provided solely for the
4 authority through the competitive procurement process, to contract
5 with licensed dental health plans or managed health care plans on a
6 prepaid or fixed-sum risk basis to provide carved-out managed dental
7 care services on a statewide basis that will result in greater
8 efficiency and will facilitate better access and oral health outcomes
9 for medicaid enrollees. Except in areas where only a single plan is
10 available, the authority must contract with at least two plans. The
11 authority shall include in the contracts: (i) Quarterly reporting
12 requirements to include medicaid utilization and encounter data by
13 current dental technology (CDT) code; (ii) a direction to increase
14 the dental provider network; (iii) a commitment to retain innovative
15 programs that improve access and care such as the access to baby and
16 child dentistry program; (iv) a program to reduce emergency room use
17 for dental purposes; (v) a requirement to ensure that dental care is
18 being coordinated with the primary care provider of the patient to
19 ensure integrated care; (vi) a provision that no less than eighty-
20 five percent of the contracting fee be used to directly offset the
21 cost of providing direct patient care as opposed to administrative
22 costs; and (vii) a provision to ensure the contracting fee shall be
23 sufficient to compensate county health departments and federally
24 qualified health centers for dental patient care. The plan(s) awarded
25 this contract must absorb all start-up costs associated with moving
26 the program from fee-for-service to managed care and shall commit to
27 achieving an overall savings to the program based on 2016 fee-for-
28 service experience. In order to comply with state insurance
29 underwriting standards, the authority shall ensure that savings
30 offered by dental plans are actuarially sound. Starting January 31,
31 2019, and every year thereafter through December 2024, the authority
32 shall submit an annual report to the governor and the appropriate
33 committees of the legislature detailing how the contracted entities
34 have met the requirements of the contract. The report shall include
35 specific information to include utilization, how the contracted
36 entities have increased their dental provider networks, how the
37 emergency room use for dental purposes has been reduced, and how
38 dental care has been integrated with patients' primary care
39 providers. If after the end of five years the data reported does not
40 demonstrate sufficient progress to address the stated contracted

1 goals, the legislature will reevaluate whether carved-out dental
2 managed care needs to be replaced with a different delivery model.
3 The authority is authorized to seek any necessary state plan
4 amendments or federal waivers to implement this subsection.
5 Additional dental program savings achieved by the plans beyond those
6 assumed in the 2017-2019 omnibus appropriations act will be used to
7 increase dental provider reimbursement rates.

8 ~~(d) ((\$1,540,849,000 of the general fund state appropriation for~~
9 ~~fiscal year 2018 and \$1,585,513,000 of the general fund state~~
10 ~~appropriation for fiscal year 2019 are provided solely for medicaid~~
11 ~~services and the medicaid program. However,)) By October 30, 2018,~~
12 the authority shall report to the governor and the appropriate
13 committees of the legislature anticipated savings related to
14 reduction in dental emergency department visits and utilization once
15 managed care dental coverage begins.

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

23 (f) The authority shall not accept or expend any federal funds
24 received under a medicaid transformation waiver under healthier
25 Washington except as described in ~~((e) and (f))~~ (g) and (h) of this
26 subsection until specifically approved and appropriated by the
27 legislature. To ensure compliance with legislative directive budget
28 requirements and terms and conditions of the waiver, the authority
29 shall implement the waiver and reporting requirements with oversight
30 from the office of financial management. The legislature finds that
31 appropriate management of the innovation waiver requires better
32 analytic capability, transparency, consistency, timeliness, accuracy,
33 and lack of redundancy with other established measures and that the
34 patient must be considered first and foremost in the implementation
35 and execution of the demonstration waiver. In order to effectuate
36 these goals, the authority shall: (i) Require the Dr. Robert Bree
37 collaborative and the health technology assessment program to reduce
38 the administrative burden upon providers by only requiring
39 performance measures that are nonduplicative of other nationally
40 established measures. The joint select committee on health care

1 oversight will evaluate the measures chosen by the collaborative and
2 the health technology assessment program for effectiveness and
3 appropriateness; (ii) develop a patient satisfaction survey with the
4 goal to gather information about whether it was beneficial for the
5 patient to use the center of excellence location in exchange for
6 additional out-of-pocket savings; (iii) ensure patients and health
7 care providers have significant input into the implementation of the
8 demonstration waiver, in order to ensure improved patient health
9 outcomes; and (iv) in cooperation with the department of social and
10 health services, consult with and provide notification of work on
11 applications for federal waivers, including details on waiver
12 duration, financial implications, and potential future impacts on the
13 state budget, to the joint select committee on health care oversight
14 prior to submitting waivers for federal approval. By federal
15 standard, the medicaid transformation demonstration waiver shall not
16 exceed the duration originally granted by the centers for medicare
17 and medicaid services and any programs created or funded by this
18 waiver do not create an entitlement.

19 ~~((e))~~ (g) No more than ~~((\$479,600,000))~~ \$486,683,000 of the
20 general fund—federal appropriation and no more than ~~((\$154,289,000))~~
21 \$129,103,000 of the general fund—local appropriation may be expended
22 for transformation through accountable communities of health
23 described in initiative 1 of the medicaid transformation
24 demonstration wavier under healthier Washington, including preventing
25 youth drug use, opioid prevention and treatment, and physical and
26 behavioral health integration. Under this initiative, the authority
27 shall take into account local input regarding community needs. In
28 order to ensure transparency to the appropriate fiscal committees of
29 the legislature, the authority shall provide fiscal staff of the
30 legislature query ability into any database of the fiscal
31 intermediary that authority staff would be authorized to access. The
32 authority shall not increase general fund—state expenditures under
33 this initiative. The director shall report to the joint select
34 committee on health care oversight no less than quarterly, and
35 include details for each accountable community of health, on the
36 financial status and measurable health outcomes. The director shall
37 also report to the fiscal committees of the legislature all of the
38 expenditures under this subsection and shall provide such fiscal data
39 in the time, manner, and form requested by the legislative fiscal

1 committees. By December 15, 2019, the authority in collaboration with
2 each accountable community of health shall demonstrate how it will be
3 self-sustaining by the end of the demonstration waiver period,
4 including sources of outside funding, and provide this reporting to
5 the joint select committee on health care oversight. If by the third
6 year of the demonstration waiver there are not measurable, improved
7 patient outcomes and financial returns, the Washington state
8 institute for public policy will conduct an audit of the accountable
9 communities of health, in addition to the process set in place
10 through the independent evaluation required by the agreement with
11 centers for medicare and medicaid services. Prior to the 2018
12 legislative session, the human services, health care, and judiciary
13 committees of the legislature will convene a joint work session to
14 review models in the delivery system and the impacts on medical
15 liability. The work sessions should include integrated delivery
16 models with multiple health care providers and medical malpractice
17 insurance carriers.

18 ~~((f))~~ (h) No more than ~~(((\$42,584,000))~~ \$38,425,000 of the
19 general fund—federal appropriation may be expended for supported
20 housing and employment services described in initiative 3a and 3b of
21 the medicaid transformation demonstration waiver under healthier
22 Washington. Under this initiative, the authority and the department
23 of social and health services shall ensure that allowable and
24 necessary services are provided to eligible clients as identified by
25 the department or its third party administrator. The authority and
26 the department in consultation with the medicaid forecast work group,
27 shall ensure that reasonable reimbursements are established for
28 services deemed necessary within an identified limit per individual.
29 The authority shall not increase general fund—state expenditures
30 under this initiative. The director shall report to the joint select
31 committee on health care oversight no less than quarterly on
32 financial and health outcomes. The director shall also report to the
33 fiscal committees of the legislature all of the expenditures of this
34 subsection and shall provide such fiscal data in the time, manner,
35 and form requested by the legislative fiscal committees.

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

39 ~~((h))~~ (j) The legislature finds that medicaid payment rates, as
40 calculated by the health care authority pursuant to the

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

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

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

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

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

29 ~~((m))~~ (o) \$4,261,000 of the general fund—state appropriation
30 for fiscal year 2018, \$4,261,000 of the general fund—state
31 appropriation for fiscal year 2019, and \$8,522,000 of the general
32 fund—federal appropriation are provided solely for low-income
33 disproportionate share hospital payments.

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

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

24 ~~((p))~~ (r) The health care authority shall continue the
25 inpatient hospital certified public expenditures program for the
26 2017-2019 fiscal biennium. The program shall apply to all public
27 hospitals, including those owned or operated by the state, except
28 those classified as critical access hospitals or state psychiatric
29 institutions. The health care authority shall submit reports to the
30 governor and legislature by November 1, 2017, and by November 1,
31 2018, that evaluate whether savings continue to exceed costs for this
32 program. If the certified public expenditures (CPE) program in its
33 current form is no longer cost-effective to maintain, the health care
34 authority shall submit a report to the governor and legislature
35 detailing cost-effective alternative uses of local, state, and
36 federal resources as a replacement for this program. During fiscal
37 year 2018 and fiscal year 2019, hospitals in the program shall be
38 paid and shall retain one hundred percent of the federal portion of
39 the allowable hospital cost for each medicaid inpatient fee-for-
40 service claim payable by medical assistance and one hundred percent

1 of the federal portion of the maximum disproportionate share hospital
2 payment allowable under federal regulations. Inpatient medicaid
3 payments shall be established using an allowable methodology that
4 approximates the cost of claims submitted by the hospitals. Payments
5 made to each hospital in the program in each fiscal year of the
6 biennium shall be compared to a baseline amount. The baseline amount
7 will be determined by the total of (i) the inpatient claim payment
8 amounts that would have been paid during the fiscal year had the
9 hospital not been in the CPE program based on the reimbursement rates
10 developed, implemented, and consistent with policies approved in the
11 2017-2019 biennial operating appropriations act and in effect on July
12 1, 2015, (ii) one-half of the indigent assistance disproportionate
13 share hospital payment amounts paid to and retained by each hospital
14 during fiscal year 2005, and (iii) all of the other disproportionate
15 share hospital payment amounts paid to and retained by each hospital
16 during fiscal year 2005 to the extent the same disproportionate share
17 hospital programs exist in the 2017-2019 fiscal biennium. If payments
18 during the fiscal year exceed the hospital's baseline amount, no
19 additional payments will be made to the hospital except the federal
20 portion of allowable disproportionate share hospital payments for
21 which the hospital can certify allowable match. If payments during
22 the fiscal year are less than the baseline amount, the hospital will
23 be paid a state grant equal to the difference between payments during
24 the fiscal year and the applicable baseline amount. Payment of the
25 state grant shall be made in the applicable fiscal year and
26 distributed in monthly payments. The grants will be recalculated and
27 redistributed as the baseline is updated during the fiscal year. The
28 grant payments are subject to an interim settlement within eleven
29 months after the end of the fiscal year. A final settlement shall be
30 performed. To the extent that either settlement determines that a
31 hospital has received funds in excess of what it would have received
32 as described in this subsection, the hospital must repay the excess
33 amounts to the state when requested. (~~(\$10,575,000)~~) \$6,943,000 of
34 the general fund—state appropriation for fiscal year 2018 and
35 (~~(\$13,185,000)~~) \$6,924,000 of the general fund—state appropriation
36 for fiscal year 2019 are provided solely for state grants for the
37 participating hospitals.

38 (~~(+g)~~) (s) The health care authority shall seek public-private
39 partnerships and federal funds that are or may become available to
40 provide on-going support for outreach and education efforts under the

1 federal children's health insurance program reauthorization act of
2 2009.

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

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

27 ~~((t))~~ (v) Managed care contracts must incorporate
28 accountability measures that monitor patient health and improved
29 health outcomes, and shall include an expectation that each patient
30 receive a wellness examination that documents the baseline health
31 status and allows for monitoring of health improvements and outcome
32 measures.

33 ~~((u))~~ (w) Sufficient amounts are appropriated in this section
34 for the authority to provide an adult dental benefit.

35 ~~((v))~~ (x) The health care authority shall coordinate with the
36 department of social and health services to provide referrals to the
37 Washington health benefit exchange for clients that will be
38 ineligible for medicaid.

39 ~~((w))~~ (y) To facilitate a single point of entry across public
40 and medical assistance programs, and to maximize the use of federal

1 funding, the health care authority, the department of social and
2 health services, and the health benefit exchange will coordinate
3 efforts to expand HealthPlanfinder access to public assistance and
4 medical eligibility staff. The health care authority shall complete
5 medicaid applications in the HealthPlanfinder for households
6 receiving or applying for medical assistance benefits.

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

13 ~~((y))~~ (aa) The appropriations in this section reflect savings
14 and efficiencies by transferring children receiving medical care
15 provided through fee-for-service to medical care provided through
16 managed care.

17 ~~((z))~~ (bb) Within the amounts appropriated in this section, the
18 authority shall reimburse for primary care services provided by
19 naturopathic physicians.

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

26 ~~((bb))~~ (dd) Sufficient amounts are appropriated in this section
27 to remove the mental health visit limit and to provide the shingles
28 vaccine and screening, brief intervention, and referral to treatment
29 benefits that are available in the medicaid alternative benefit plan
30 in the classic medicaid benefit plan.

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

37 ~~((dd))~~ (ff) \$127,000 of the general fund—state appropriation
38 for fiscal year 2018 and \$1,144,000 of the general fund—federal
39 appropriation are provided solely to the ProviderOne provider

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

3 ~~((+ee+))~~ (gg) \$175,000 of the general fund—state appropriation
4 for fiscal year 2018 and \$825,000 of the general fund—federal
5 appropriation are provided solely to the ProviderOne CORE operating
6 rules project and are subject to the conditions, limitations, and
7 review provided in section 724 of this act.

8 ~~((+ff+))~~ (hh) \$2,200,000 of the general fund—state appropriation
9 for fiscal year 2018 and \$2,701,000 of the general fund—state
10 appropriation for fiscal year 2019 are provided solely for
11 performance payments to reward successful beneficiary engagement in
12 the health homes program for dual eligible enrollees and these are
13 the maximum amounts in each fiscal year the authority may expend for
14 this purpose.

15 ~~((+gg+))~~ (ii) \$450,000 of the general fund—state appropriation
16 for fiscal year 2018, \$450,000 of the general fund—state
17 appropriation for fiscal year 2019, and \$1,058,000 of the general
18 fund—federal appropriation are provided solely for the authority to
19 hire ten nurse case managers to coordinate medically assisted
20 treatment and movements to medical homes for those being treated for
21 opioid use disorder. Nurses shall be located in areas and provider
22 settings with the highest concentration of opioid use disorder
23 patients.

24 ~~((+hh+))~~ (jj) Sufficient amounts are appropriated in this section
25 for the authority to provide a collaborative care benefit beginning
26 July 1, 2017.

27 ~~((+ii+))~~ (kk) The authority and the department of social and
28 health services shall convene a work group consisting of
29 representatives of skilled nursing facilities, adult family homes,
30 assisted living facilities, managers of in-home long-term care,
31 hospitals, and managed health care systems. The work group shall
32 identify barriers that may prevent skilled nursing facilities from
33 accepting and admitting clients from acute care hospitals in a timely
34 and appropriate manner. The work group shall consider what additional
35 resources are needed to allow for faster transfers of enrollees,
36 including those with complex needs. By December 1, 2017, the
37 authority shall report the work group's findings to the governor and
38 the appropriate committees of the legislature.

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

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

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

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

10 (~~(nn)~~) (pp) \$500,000 of the general fund—state appropriation
11 for fiscal year 2019 and \$500,000 of the general fund—federal
12 appropriation are provided solely for the authority to implement the
13 oral health connections pilot project in (~~(Yakima, Adams,)~~) Spokane,
14 Thurston, and Cowlitz counties. The authority shall work in
15 collaboration with Washington dental service foundation to jointly
16 develop and implement the program. The purpose of the three-year
17 pilot is to test the effect that enhanced dental benefits for adult
18 medicaid clients with diabetes and pregnant women have on access to
19 dental care, health outcomes, and medical care costs. The authority
20 must model the pilot on the access to baby and child dentistry
21 program. The pilot program must include enhanced reimbursement rates
22 for participating dental providers, including denturists licensed
23 under chapter 18.30 RCW, and an increase in the allowable number of
24 periodontal treatments to up to four per calendar year. Diabetic or
25 pregnant adult medicaid clients who are receiving dental care within
26 the pilot region(s), regardless of location of the service within the
27 pilot region(s), are eligible for the increased number of periodontal
28 treatments. The Washington dental service foundation shall partner
29 with the authority and provide wraparound services to link patients
30 to care. The authority and Washington dental service foundation shall
31 jointly develop the program. The authority and foundation shall
32 provide a joint progress report to the appropriate committees of the
33 legislature on December 1, 2017, and December 1, 2018.

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

39 (~~(pp)~~) (rr) During the 2017-2019 fiscal biennium, the authority
40 must revise its agreements and contracts with vendors to include a

1 provision to require that each vendor agrees to equality among its
2 workers by ensuring similarly employed individuals are compensated as
3 equals as follows:

4 (i) Employees are similarly employed if the individuals work for
5 the same employer, the performance of the job requires comparable
6 skill, effort, and responsibility, and the jobs are performed under
7 similar working conditions. Job titles alone are not determinative of
8 whether employees are similarly employed;

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

11 (A) A seniority system; a merit system; a system that measures
12 earnings by quantity or quality of production; a bona fide job-
13 related factor or factors; or a bona fide regional difference in
14 compensation levels.

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

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

22 (iii) The provision must allow for the termination of the
23 contract if the authority or department of enterprise services
24 determines that the vendor is not in compliance with this agreement
25 or contract term.

26 (iv) The authority must implement this provision with any new
27 contract and at the time of renewal of any existing contract.

28 ~~((~~ss~~))~~ (ss) \$100,000 of the general fund—state appropriation
29 for fiscal year 2018 and \$100,000 of the general fund—state
30 appropriation for fiscal year 2019 are provided solely for a pilot
31 program for treatment of inmates at the Snohomish county jail who are
32 undergoing detoxification from heroin and other opioids and for
33 connecting those individuals with treatment providers in the
34 community upon their release.

35 ~~((~~tt~~))~~ (tt) \$6,487,000 of the general fund—state appropriation
36 for fiscal year 2018 and \$1,340,000 of the general fund—state
37 appropriation for fiscal year 2019 are provided solely for the
38 physical health care costs of medicaid clients receiving services in
39 facilities classified as institutions for mental diseases for longer

1 than 15 days in a calendar month. The authority must apply for a
2 waiver from the center for medicare and medicaid services to allow
3 for the full cost of stays in institutions for mental diseases to be
4 included in managed care rates beginning on July 1, 2018. The
5 authority must submit a report on the status of the waiver to the
6 office of financial management and the appropriate committees of the
7 legislature by December 1, 2017.

8 ~~((ss))~~ (uu) The authority shall evaluate adding a tele-
9 pyschiatry consultation benefit for medicaid covered individuals. The
10 authority shall submit a report with the cost associated with adding
11 such a benefit to the governor and appropriate committees of the
12 legislature by October 1, 2017.

13 ~~((tt))~~ (vv) \$33,000 of the general fund—state appropriation for
14 fiscal year 2018, \$7,000 of the state health care authority
15 administrative account—state appropriation, and \$42,000 of the
16 general fund—federal appropriation are provided solely for the
17 bleeding disorder collaborative for care.

18 ~~((uu))~~ (ww) \$304,000 of the general fund—state appropriation
19 for fiscal year 2018, \$304,000 of the general fund—state
20 appropriation for fiscal year 2019, and \$608,000 of the general fund—
21 federal appropriation are provided solely for the authority to
22 contract with the University of Washington tele-pain pain management
23 program and pain management call center to advance primary care
24 provider knowledge of complex pain management issues, including
25 opioid addiction.

26 ~~((vv))~~ (xx) \$165,000 of the general fund—state appropriation
27 for fiscal year 2018, \$329,000 of the general fund—state
28 appropriation for fiscal year 2019, and \$604,000 of the general fund—
29 federal appropriation are provided solely for implementation of
30 chapter 202, Laws of 2017 (Engrossed Second Substitute House Bill No.
31 1713) (children's mental health).

32 ~~((ww))~~ (yy) \$1,813,000 of the general fund—state appropriation
33 for fiscal year 2018, \$3,764,000 of the general fund—state
34 appropriation for fiscal year 2019, and \$12,930,000 of the general
35 fund—federal appropriation are provided solely for implementation of
36 chapter 110, Laws of 2017 (Second Substitute House Bill No. 1338)
37 (state health insurance pool).

38 ~~((xx))~~ (zz) \$347,000 of the general fund—state appropriation
39 for fiscal year 2018, \$839,000 of the general fund—state

1 appropriation for fiscal year 2019, and \$943,000 of the general fund—
2 federal appropriation are provided solely for implementation of
3 chapter 198, Laws of 2017 (Substitute House Bill No. 1520) (hospital
4 payment methodology).

5 ~~((+yy+))~~ (aaa) Sufficient amounts are appropriated in this
6 section for the implementation of chapter 273, Laws of 2017
7 (Engrossed Second Substitute House Bill No. 1358) (community asst.
8 referral programs).

9 ~~((+zz+))~~ (bbb) \$69,000 of the general fund—state appropriation
10 for fiscal year 2018, \$560,000 of the general fund—state
11 appropriation for fiscal year 2019, and \$308,000 of the general fund—
12 federal appropriation are provided solely for the authority to
13 implement, operate, and maintain a provider credentialing system and
14 are subject to the conditions, limitations, and review provided in
15 section 724 of this act. The authority, in collaboration with the
16 department of health, department of corrections, department of social
17 and health services, the public employees' benefits board, and the
18 department of labor and industries, shall work to ensure that a
19 single platform provider credentialing system is implemented. The
20 authority, departments, and board shall ensure that appropriate cost
21 offsets and cost avoidance are assumed for reduced staff time
22 required for provider credentialing activity and reductions in
23 improper billing activity when implementing provider credentialing
24 systems. The authority must enter into agreements with the department
25 of labor and industries and the public employees' benefits board to
26 pay their share of the costs of implementing and operating a new
27 provider credentialing system. The authority shall submit a report to
28 the office of financial management and appropriate committees of the
29 legislature outlining projected cost savings and cost avoidance no
30 later than December 1, 2018.

31 (2) PUBLIC EMPLOYEES' BENEFITS BOARD AND EMPLOYEE BENEFITS
32 PROGRAMS

33 State Health Care Authority Administration Account—
34 State Appropriation. (~~(\$42,061,000)~~)
35 \$34,931,000

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

38 (a) The authority and the public employees' benefits board shall
39 consult with the Washington state institute for public policy on the

1 cost-effectiveness of the wellness plan and any changes to the plan
2 that can be made to increase the health care efficiency of the
3 wellness plan. The authority shall report its findings to the
4 governor and the appropriate committees of the legislature by October
5 15, 2018.

6 (b) The authority and the public employees' benefits board shall
7 ensure that procurement for employee health benefits during the
8 2019-2021 fiscal biennium is consistent with the funding limitations
9 provided in part 9 of this act.

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

17 (d) All savings resulting from reduced claim costs or other
18 factors identified after December 31, 2016, must be reserved for
19 funding employee health benefits in the 2019-2021 fiscal biennium.
20 Any changes to benefits, including covered prescription drugs, must
21 be approved by the public employees' benefits board. Upon procuring
22 benefits for calendar years 2018 and 2019, the public employees'
23 benefits board shall: (1) Not consider any changes to benefits,
24 including prescription drugs, without considering comprehensive
25 analysis of the cost of those changes; and (2) not adopt a package of
26 benefits and premiums that results in a projected unrestricted
27 reserve funding level lower than was projected under the assumptions
28 made prior to procurement. For this purpose, assumptions means
29 projections about the levels of future claims, costs, enrollment and
30 other factors, prior to any changes in benefits. The certificates of
31 coverage agreed to by the health care authority for calendar years
32 2018 and 2019 must ensure that no increases in coverage of
33 prescription drugs, services, or other benefits may occur prior to
34 approval by the public employees' benefits board at the time of
35 procurement of benefits for the ensuing calendar year. The public
36 employees' benefits board may, within the funds provided, adopt a
37 virtual diabetes prevention program and adjust the waiting period for
38 dental crown replacement in the Uniform dental program to align with
39 the dental managed care plans.

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

14 (f) (~~(\$8,000,000 of the health care authority administrative~~
15 ~~account—state appropriation is provided solely for implementation of~~
16 ~~the school employees' benefits board until the new board commences~~
17 ~~provision of benefits on January 1, 2020. This expenditure shall be~~
18 ~~reimbursed to the health care authority administrative account from~~
19 ~~the newly created school employees' insurance administrative account~~
20 ~~after January 1, 2020.~~

21 (g)) The public employees' benefits board, in collaboration with
22 the authority, shall work to ensure that a single platform provider
23 credentialing system is implemented. The authority and the board
24 shall ensure that appropriate cost offsets and cost avoidance are
25 assumed for reduced staff time required for provider credentialing
26 activity and reductions in improper billing activity when
27 implementing provider credentialing systems. The board must enter
28 into an agreement with the authority to pay its share of the costs of
29 implementing and operating a new provider credentialing system.

30 (3) SCHOOL EMPLOYEES' BENEFITS BOARD

31 School Employees' Insurance Administrative

32 Account—State Appropriation. \$21,230,000

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

35 \$21,230,000 of the school employees' insurance administrative
36 account—state appropriation is provided solely for implementation of
37 the school employees' benefits board until the new board commences
38 provision of benefits on January 1, 2020. It is the intent of the
39 legislature that the state general fund be reimbursed for the

appropriation to this account made in Part VII of this act, with interest as determined by the state treasurer, by June 30, 2020.

(4) HEALTH BENEFIT EXCHANGE

General Fund—State Appropriation (FY 2018).	((\$5,184,000))
	<u>\$5,380,000</u>
General Fund—State Appropriation (FY 2019).	\$5,184,000
General Fund—Federal Appropriation.	((\$52,837,000))
	<u>\$53,884,000</u>
Health Benefit Exchange Account—State Appropriation.	((\$56,736,000))
	<u>\$59,393,000</u>
TOTAL APPROPRIATION.	((\$119,941,000))
	<u>\$123,841,000</u>

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

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

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

(ii) For the 2017-2019 biennium, for the purpose of annually calculating issuer assessments, exchange operational costs may include up to three months of additional operating costs.

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

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

1 (5) COMMUNITY BEHAVIORAL HEALTH PROGRAM

2	<u>General Fund—State Appropriation (FY 2019).</u>	<u>\$559,947,000</u>
3	<u>General Fund—Federal Appropriation.</u>	<u>\$922,062,000</u>
4	<u>General Fund—Private/Local Appropriation.</u>	<u>\$18,261,000</u>
5	<u>Criminal Justice Treatment Account—State Appropriation.</u>	<u>\$6,490,000</u>
6	<u>Problem Gambling Account—State Appropriation.</u>	<u>\$728,000</u>
7	<u>Dedicated Marijuana Account—State</u>	
8	<u> Appropriation (FY 2019).</u>	<u>\$30,143,000</u>
9	<u>Pension Funding Stabilization Account—State</u>	
10	<u> Appropriation.</u>	<u>\$1,164,000</u>
11	<u> TOTAL APPROPRIATION.</u>	<u>\$1,538,795,000</u>

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

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

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

1 (c) \$1,760,000 of the general fund—federal appropriation is
2 provided solely for the authority to maintain a pilot project to put
3 peer bridging staff into each behavioral health organization as part
4 of the state psychiatric liaison teams to promote continuity of
5 service as individuals return to their communities.

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

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

34 (f) The authority is authorized to continue to contract directly,
35 rather than through contracts with behavioral health organizations
36 for children's long-term inpatient facility services.

37 (g) \$1,125,000 of the general fund—state appropriation for fiscal
38 year 2019 is provided solely for the Spokane county behavioral health

1 organization to implement services to reduce utilization and the
2 census at eastern state hospital. Such services shall include:

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

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

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

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

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

19 (h) \$1,204,000 of the general fund—state appropriation for fiscal
20 year 2019 is provided solely to reimburse Pierce and Spokane counties
21 for the cost of conducting one hundred eighty-day commitment hearings
22 at the state psychiatric hospitals.

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

35 (j) \$2,291,000 of the general fund—state appropriation for fiscal
36 year 2019 is provided solely for mental health services for mentally
37 ill offenders while confined in a county or city jail and for
38 facilitating access to programs that offer mental health services
39 upon release from confinement. The authority must collect information
40 from the behavioral health organizations on their plan for using

1 these funds, the numbers of individuals served, and the types of
2 services provided and submit a report to the office of financial
3 management and the appropriate fiscal committees of the legislature
4 by December 1st of each year of the biennium.

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

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

29 (m) \$3,079,000 of the general fund—state appropriation for fiscal
30 year 2019 and \$2,892,000 of the general fund—federal appropriation
31 are provided solely for the authority to increase rates for community
32 hospitals that provide a minimum of two hundred medicaid psychiatric
33 inpatient days. The authority must increase both medicaid and
34 nonmedicaid psychiatric per-diem reimbursement rates for these
35 providers within these amounts. The amounts in this subsection
36 include funding for additional hold harmless payments resulting from
37 the rate increase. The authority shall prioritize increases for
38 hospitals not currently paid based on provider specific costs using a
39 similar methodology used to set rates for existing inpatient
40 facilities and the latest available cost report information. Rate

1 increases for providers must be set so as not to exceed the amounts
2 provided within this subsection. The rate increase related to
3 nonmedicaid clients must be done to maintain the provider at the same
4 percentage as currently required under WAC 182-550-4800.

5 (n) \$100,000 of the general fund—state appropriation for fiscal
6 year 2019 is provided solely for the authority to collaborate with
7 tribal governments and develop a plan for establishing an evaluation
8 and treatment facility that will specialize in providing care
9 specifically to the American Indian and Alaska Native population. The
10 plan must include options for maximizing federal participation and
11 ensuring that utilization will be based on medical necessity.

12 (o) \$7,103,000 of the general fund—state appropriation for fiscal
13 year 2019 and \$8,052,000 of the general fund—federal appropriation
14 are provided solely for the authority to contract with community
15 hospitals or freestanding evaluation and treatment centers to provide
16 up to forty-eight long-term inpatient care beds as defined in RCW
17 71.24.025. The authority must seek proposals and contract directly
18 for these services rather than contracting through behavioral health
19 organizations. The authority must not use any of the amounts provided
20 under this subsection for contracts with facilities that are subject
21 to federal funding restrictions that apply to institutions of mental
22 diseases, unless they have received a waiver that allows for full
23 federal participation in these facilities.

24 (p) \$1,133,000 of the general fund—state appropriation for fiscal
25 year 2019 and \$1,297,000 of the general fund—federal appropriation
26 are provided solely to increase the number of psychiatric residential
27 treatment beds for individuals transitioning from psychiatric
28 inpatient settings. The authority must seek proposals from behavioral
29 health organizations for the use of these amounts and coordinate with
30 the department of social and health services in awarding these funds.
31 The authority must not allow for any of the amounts provided under
32 this subsection to be used for services in facilities that are
33 subject to federal funding restrictions that apply to institutions of
34 mental diseases, unless they have received a waiver that allows for
35 full federal participation in these facilities.

36 (q) \$6,744,000 of the general fund—state appropriation for fiscal
37 year 2019 and \$14,516,000 of the general fund—federal appropriation
38 are provided solely for the authority to increase medicaid capitation
39 payments for behavioral health organizations. The authority must work

1 with the actuaries responsible for certifying behavioral health
2 capitation rates to adjust average salary assumptions in order to
3 implement this increase. In developing further updates for medicaid
4 managed care rates for behavioral health services, the authority must
5 include and make available all applicable documents and analysis to
6 legislative staff from the fiscal committees throughout the process.
7 The authority must require the actuaries to develop and submit rate
8 ranges for each behavioral health organization prior to certification
9 of specific rates.

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

27 (s) \$11,405,000 of the general fund—state appropriation for
28 fiscal year 2019 and \$8,840,000 of the general fund—federal
29 appropriation are provided solely to maintain enhancements of
30 community mental health services. The authority must contract these
31 funds for the operation of community programs in which the authority
32 determines there is a need for capacity that allows individuals to be
33 diverted or transitioned from the state hospitals including but not
34 limited to: (i) Community hospital or free standing evaluation and
35 treatment services providing short-term detention and commitment
36 services under the involuntary treatment act to be located in the
37 geographic areas of the King behavioral health organization, the
38 Spokane behavioral health organization outside of Spokane county, and
39 the Thurston Mason behavioral health organization; (ii) one new full
40 program of an assertive community treatment team in the King

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

15 (t) \$1,296,000 of the general fund—state appropriation for fiscal
16 year 2019 is provided solely for clubhouse programs. The authority
17 shall ensure that \$400,000 is used for the biennium for support of
18 the Spokane clubhouse program and the remaining funds must be used
19 for support of new clubhouse programs. The authority must develop
20 options and cost estimates for implementation of clubhouse programs
21 statewide through a medicaid state plan amendment or a medicaid
22 waiver and submit a report to the office of financial management and
23 the appropriate committees of the legislature by December 1, 2018.

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

37 (v) When a contractual relationship with a behavioral health
38 organizations ends, the behavioral health organization shall return
39 reserve and fund balances, not otherwise obligated, to the state. The
40 health care authority shall work with any county or group of counties

1 to identity the funding level necessary to establish a reserve fund
2 when any county or group of counties elects to immediately enter into
3 a contract to provide state funded behavioral health crisis and
4 involuntary commitment services. Funds associated with the
5 nonmedicaid contract may be retained to establish a reserve fund to
6 support the delivery of critical services.

7 (w) \$3,278,000 of the dedicated marijuana account—state
8 appropriation for fiscal year 2019 is provided solely for a
9 memorandum of understanding with the department of social and health
10 services juvenile rehabilitation administration to provide substance
11 abuse treatment programs for juvenile offenders. Of the amounts
12 provided in this subsection (5)(w):

13 (i) \$1,130,000 of the dedicated marijuana account—state
14 appropriation for fiscal year 2019 is provided solely for alcohol and
15 substance abuse treatment programs for locally committed offenders.
16 The juvenile rehabilitation administration shall award these funds as
17 described in section 203(4) of this act.

18 (ii) \$282,000 of the dedicated marijuana account—state
19 appropriation for fiscal year 2019 is provided solely for the
20 expansion of evidence-based treatments and therapies as described in
21 section 203(2) of this act.

22 (x) During fiscal year 2019, any amounts provided in this section
23 that are used for case management services for pregnant and parenting
24 women must be contracted directly between the authority and providers
25 rather than through contracts with behavioral health organizations.

26 (y) Within the amounts appropriated in this section, the
27 authority may contract with the University of Washington and
28 community-based providers for the provision of the parent-child
29 assistance program or other specialized chemical dependency case
30 management providers for pregnant, post-partum, and parenting women.
31 For all contractors: (i) Service and other outcome data must be
32 provided to the department by request; and (ii) indirect charges for
33 administering the program must not exceed ten percent of the total
34 contract amount.

35 (z) \$1,750,000 of the general fund—federal appropriation (from
36 the substance abuse prevention and treatment federal block grant) is
37 provided solely for the continued funding of existing county drug and
38 alcohol use prevention programs.

1 (aa) \$200,000 of the dedicated marijuana account—state
2 appropriation for fiscal year 2019 is provided solely for a contract
3 with the Washington state institute for public policy to conduct
4 cost-benefit evaluations of the implementation of chapter 3, Laws of
5 2013 (Initiative Measure No. 502).

6 (bb) \$500,000 of the dedicated marijuana account—state
7 appropriation for fiscal year 2019 is provided solely to design and
8 administer the Washington state healthy youth survey and the
9 Washington state young adult behavioral health survey.

10 (cc) \$396,000 of the dedicated marijuana account—state
11 appropriation for fiscal year 2019 is provided solely for maintaining
12 increased services to pregnant and parenting women provided through
13 the parent child assistance program.

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

19 (ee) \$386,000 of the dedicated marijuana account—state
20 appropriation for fiscal year 2019 is provided solely to maintain
21 increased prevention and treatment services provided by tribes to
22 children and youth.

23 (ff) \$2,684,000 of the dedicated marijuana account—state
24 appropriation for fiscal year 2019 and \$950,000 of the general fund—
25 federal appropriation are provided solely to maintain increased
26 residential treatment services for children and youth.

27 (gg) \$250,000 of the dedicated marijuana account—state
28 appropriation for fiscal year 2019 is provided solely for training
29 and technical assistance for the implementation of evidence based,
30 research based, and promising programs which prevent or reduce
31 substance use disorders.

32 (hh) \$2,434,000 of the dedicated marijuana account—state
33 appropriation for fiscal year 2019 is provided solely for expenditure
34 into the home visiting services account.

35 (ii) \$2,500,000 of the dedicated marijuana account—state
36 appropriation for fiscal year 2019 is provided solely for grants to
37 community-based programs that provide prevention services or
38 activities to youth, including programs for school-based resource

1 officers. These funds must be utilized in accordance with RCW
2 69.50.540.

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

21 (kk) \$562,000 of the general fund—federal appropriation is
22 provided solely for the authority to develop a memorandum of
23 understanding with the department of health for implementation of
24 chapter 297, Laws of 2017 (ESHB 1427) (opioid treatment programs).
25 The authority must use these amounts to reimburse the department of
26 health for costs incurred through the implementation of the bill.

27 (ll) \$2,580,000 of the general fund—state appropriation for
28 fiscal year 2019 and \$2,320,000 of the general fund—federal
29 appropriation are provided solely for the development and operation
30 of two secure detoxification facilities. The authority must not use
31 any of these amounts for services in facilities that are subject to
32 federal funding restrictions that apply to institutions for mental
33 diseases, unless they have received a waiver that allows for full
34 federal participation in these facilities.

35 (mm) \$500,000 of the criminal justice treatment account—state
36 appropriation is provided solely to maintain increased funding for
37 substance abuse treatment and support services for offenders and
38 support of drug courts.

1 (nn) \$100,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for parenting education services focused
3 on pregnant and parenting women.

4 (oo) Within existing appropriations, the authority shall
5 prioritize the prevention and treatment of intravenous opiate-based
6 drug use.

7 **Sec. 214.** 2017 3rd sp.s. c 1 s 214 (uncodified) is amended to
8 read as follows:

9 **FOR THE HUMAN RIGHTS COMMISSION**

10	General Fund—State Appropriation (FY 2018)	. . . . .	((\$2,317,000))
11			<u>\$2,291,000</u>
12	General Fund—State Appropriation (FY 2019)	. . . . .	((\$2,359,000))
13			<u>\$2,293,000</u>
14	General Fund—Federal Appropriation	. . . . .	((\$2,427,000))
15			<u>\$2,420,000</u>
16	<u>Pension Funding Stabilization Account—State</u>		
17	<u>Appropriation.</u>	. . . . .	<u>\$190,000</u>
18	TOTAL APPROPRIATION.	. . . . .	((\$7,103,000))
19			<u>\$7,194,000</u>

20 **Sec. 215.** 2017 3rd sp.s. c 1 s 215 (uncodified) is amended to
21 read as follows:

22 **FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

23	Worker and Community Right-to-Know Account—State		
24	Appropriation	. . . . .	\$10,000
25	Accident Account—State Appropriation	. . . . .	((\$22,437,000))
26			<u>\$22,416,000</u>
27	Medical Aid Account—State Appropriation	. . . . .	((\$22,438,000))
28			<u>\$22,417,000</u>
29	TOTAL APPROPRIATION.	. . . . .	((\$44,885,000))
30			<u>\$44,843,000</u>

31 **Sec. 216.** 2017 3rd sp.s. c 1 s 216 (uncodified) is amended to
32 read as follows:

33 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

34	General Fund—State Appropriation (FY 2018)	. . . . .	((\$21,703,000))
35			<u>\$21,725,000</u>
36	General Fund—State Appropriation (FY 2019)	. . . . .	((\$20,705,000))

1		<u>\$21,009,000</u>
2	General Fund—Private/Local Appropriation	((\$5,905,000))
3		<u>\$6,329,000</u>
4	Death Investigations Account—State Appropriation	\$148,000
5	Municipal Criminal Justice Assistance Account—State	
6	Appropriation	\$460,000
7	<u>Pension Funding Stabilization Account—State</u>	
8	<u>Appropriation.</u>	<u>\$460,000</u>
9	Washington Auto Theft Prevention Authority Account—State	
10	Appropriation	\$8,167,000
11	24/7 Sobriety Account—State Appropriation	((\$30,000))
12		<u>\$20,000</u>
13	TOTAL APPROPRIATION.	((\$57,118,000))
14		<u>\$58,318,000</u>

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

17 (1) \$5,000,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$5,000,000 of the general fund—state appropriation for
19 fiscal year 2019, are provided to the Washington association of
20 sheriffs and police chiefs solely to verify the address and residency
21 of registered sex offenders and kidnapping offenders under RCW
22 9A.44.130. The association may use no more than \$50,000 per fiscal
23 year of the amounts provided on program management activities.

24 (2) \$1,284,000 of the general fund—state appropriation for fiscal
25 year 2018 and ((~~\$1,283,000~~)) \$1,546,000 of the general fund—state
26 appropriation for fiscal year 2019 are provided solely for seventy-
27 five percent of the costs of providing six additional statewide basic
28 law enforcement trainings in ((each)) fiscal year 2018, and seven
29 additional statewide basic law enforcement trainings in fiscal year
30 2019. The criminal justice training commission must schedule its
31 funded classes to minimize wait times throughout each fiscal year and
32 meet statutory wait time requirements.

33 (3) \$745,000 of the general fund—local appropriation is provided
34 solely to purchase ammunition for the basic law enforcement academy.
35 Jurisdictions shall reimburse to the criminal justice training
36 commission the costs of ammunition, based on the average cost of
37 ammunition per cadet, for cadets that they enroll in the basic law
38 enforcement academy.

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

3 (5) \$100,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$100,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for a school safety program. The
6 commission, in collaboration with the school safety center advisory
7 committee, shall provide the school safety training for all school
8 administrators and school safety personnel hired after the effective
9 date of this section.

10 (6) \$96,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$96,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for the school safety center
13 within the commission. The safety center shall act as an information
14 dissemination and resource center when an incident occurs in a school
15 district in Washington or in another state, coordinate activities
16 relating to school safety, and review and approve manuals and
17 curricula used for school safety models and training. Through an
18 interagency agreement, the commission shall provide funding for the
19 office of the superintendent of public instruction to continue to
20 develop and maintain a school safety information web site. The school
21 safety center advisory committee shall develop and revise the
22 training program, using the best practices in school safety, for all
23 school safety personnel. The commission shall provide research-
24 related programs in school safety and security issues beneficial to
25 both law enforcement and schools.

26 (7) \$146,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$146,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for the costs of providing
29 statewide advanced driving training with the use of a driving
30 simulator.

31 (8) \$679,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$587,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for implementation of chapter
34 261, Laws of 2017 (SHB 1501) (attempts to obtain firearms).

35 (9) \$57,000 of the general fund—state appropriation for fiscal
36 year 2018 is provided solely for implementation of chapter 295, Laws
37 of 2017 (SHB 1258) (first responders/disability).

38 (10) \$198,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$414,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for implementation of chapter
2 290, Laws of 2017 (ESHB 1109) (victims of sexual assault).

3 (11) \$117,000 of the general fund—state appropriation for fiscal
4 year 2018, \$117,000 of the general fund—state appropriation for
5 fiscal year 2019, and \$1,000,000 of the Washington auto theft
6 prevention account—state appropriation are provided solely for the
7 first responder building mapping information system.

8 (12) \$595,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$595,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely to continue crisis intervention
11 training required in chapter 87, Laws of 2015.

12 (13) \$250,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$250,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for the criminal justice
15 training commission to deliver research-based programs to instruct,
16 guide, and support local law enforcement agencies in fostering the
17 "guardian philosophy" of policing, which emphasizes de-escalating
18 conflicts and reducing the use of force.

19 (14) \$429,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$429,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for expenditure into the
22 nonappropriated Washington internet crimes against children account
23 for the implementation of chapter 84, Laws of 2015.

24 (15) \$842,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$353,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for the purpose of creating and
27 funding on an ongoing basis the: (a) Updating and providing of basic
28 and in-service training for peace officers and corrections officers
29 that emphasizes de-escalation and use of less lethal force; and (b)
30 creation and provision of an evidence-based leadership development
31 program, in partnership with Microsoft, that trains, equips, and
32 supports law enforcement leaders using research-based strategies to
33 reduce crime and improve public trust.

34 (16) \$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 to the Washington association of
37 sheriffs and police chiefs to fund pilot projects in Benton county to
38 support local law enforcement education for law enforcement, medical
39 professionals, first responders, courts, educators, and others to

1 raise awareness and identifying warning signs of human trafficking.
2 Any educational opportunities created through the pilot projects in
3 Benton county may provide access for adjacent counties if resources
4 and availability permits.

5 (17) \$500,000 of the general fund—state appropriation for fiscal
6 year 2018 is provided solely to the Washington association of
7 sheriffs and police chiefs to administer statewide training in the
8 use of the Washington state gang database, established in compliance
9 with RCW 43.43.762, and provide grant funding to ensure agencies
10 enter appropriate and reliable data into the database. The training
11 shall develop professionals with regional responsibilities for
12 database administration throughout the state.

13 **Sec. 217.** 2017 3rd sp.s. c 1 s 217 (uncodified) is amended to
14 read as follows:

15 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

16	General Fund—State Appropriation (FY 2018)	((\$7,671,000))
17		<u>\$7,723,000</u>
18	General Fund—State Appropriation (FY 2019)	((\$8,897,000))
19		<u>\$10,267,000</u>
20	General Fund—Federal Appropriation	\$11,876,000
21	Asbestos Account—State Appropriation	((\$527,000))
22		<u>\$525,000</u>
23	Electrical License Account—State Appropriation	((\$52,100,000))
24		<u>\$53,792,000</u>
25	Farm Labor Contractor Account—State Appropriation	\$28,000
26	Worker and Community Right-to-Know Account—State	
27	Appropriation	((\$993,000))
28		<u>\$990,000</u>
29	Public Works Administration Account—State	
30	Appropriation	((\$6,303,000))
31		<u>\$8,576,000</u>
32	Manufactured Home Installation Training	
33	Account—State Appropriation	((\$378,000))
34		<u>\$376,000</u>
35	Accident Account—State Appropriation	((\$320,314,000))
36		<u>\$320,708,000</u>
37	Accident Account—Federal Appropriation	\$16,765,000
38	Medical Aid Account—State Appropriation	((\$333,053,000))

1		<u>\$333,255,000</u>
2	Medical Aid Account—Federal Appropriation	\$3,739,000
3	Plumbing Certificate Account—State Appropriation	((\$1,882,000))
4		<u>\$1,884,000</u>
5	Pressure Systems Safety Account—State Appropriation	((\$4,442,000))
6		<u>\$4,431,000</u>
7	Construction Registration Inspection Account—State	
8	Appropriation.	((\$19,128,000))
9		<u>\$20,945,000</u>
10	<u>Pension Funding Stabilization Account—State</u>	
11	<u>Appropriation.</u>	<u>\$1,435,000</u>
12	TOTAL APPROPRIATION.	((\$788,096,000))
13		<u>\$797,315,000</u>

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

16 ((+3)) (1) \$123,000 of the accident account—state appropriation
17 and \$22,000 of the medical aid—state appropriation are provided
18 solely for implementation of chapter 150, Laws of 2017 (House Bill
19 No. 1906) (farm internship).

20 ((+4)) (2) The department, in collaboration with the health care
21 authority, shall work to ensure that a single platform provider
22 credentialing system is implemented. The authority and department
23 shall ensure that appropriate cost offsets and cost avoidance are
24 assumed for reduced staff time required for provider credentialing
25 activity and reductions in improper billing activity when
26 implementing provider credentialing systems. The department must
27 enter into an agreement with the health care authority to pay its
28 share of the costs of implementing and operating a new provider
29 credentialing system.

30 ((+5) ~~\$6,124,000~~) (3) \$5,802,000 of the accident account—state
31 appropriation and ((~~\$5,989,000~~)) \$5,676,000 of the medical aid
32 account—state appropriation are provided solely for business
33 transformation projects and are subject to the conditions,
34 limitations, and review provided in section 724 of this act.

35 ((+6)) (4) \$19,128,000 of the construction registration
36 inspection account—state appropriation is provided solely to
37 implement House Bill No. 1716 (construction inspection account). If
38 the bill is not enacted by July 31, 2017, the amounts provided in
39 this subsection shall lapse.

1 ~~((7))~~ (5) \$2,000,000 of the accident account—state
2 appropriation and \$2,000,000 of the medical account—state
3 appropriation are provided solely for a contract with a workforce
4 institute to provide supplemental instruction for information
5 technology apprentices. Funds spent for this purpose must be matched
6 by an equal amount of funding from the information technology
7 industry members, except small and mid-sized employers. Up to
8 \$2,000,000 may be spent to provide supplemental instruction for
9 apprentices at small and mid-sized businesses. "Small and mid-sized
10 employers" means those that have fewer than one hundred employees or
11 have less than five percent net profitability.

12 (6) \$160,000 of the accident account—state appropriation and
13 \$27,000 of the medical aid account—state are provided solely for work
14 associated with the career connected learning strategic plan in
15 section 501(49) of this act.

16 **Sec. 218.** 2017 3rd sp.s. c 1 s 218 (uncodified) is amended to
17 read as follows:

18 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

19 (1) HEADQUARTERS

20	General Fund—State Appropriation (FY 2018)	(\$2,004,000)
21		<u>\$1,932,000</u>
22	General Fund—State Appropriation (FY 2019)	(\$1,997,000)
23		<u>\$1,927,000</u>
24	Charitable, Educational, Penal, and Reformatory	
25	Institutions Account—State Appropriation	\$10,000
26	<u>Pension Funding Stabilization Account—State</u>	
27	<u> Appropriation.</u>	<u>\$185,000</u>
28	TOTAL APPROPRIATION.	(\$4,011,000)
29		<u>\$4,054,000</u>

30 The appropriations in this subsection are subject to the
31 following conditions and limitations: \$85,000 of the general fund—
32 state appropriation for fiscal year 2018 and \$84,000 of the general
33 fund—state appropriation for fiscal year 2019 are provided solely for
34 the implementation of chapter 173, Laws of 2017 (ESSB 1802)
35 (veterans' shared leave pool).

36 (2) FIELD SERVICES

37 General Fund—State Appropriation (FY 2018) ~~(\$6,220,000)~~

1		<u>\$6,083,000</u>
2	General Fund—State Appropriation (FY 2019)	((\$6,278,000))
3		<u>\$6,129,000</u>
4	General Fund—Federal Appropriation	((\$3,751,000))
5		<u>\$3,745,000</u>
6	General Fund—Private/Local Appropriation	((\$4,799,000))
7		<u>\$4,792,000</u>
8	Veteran Estate Management Account—Private/Local	
9	Appropriation	((\$666,000))
10		<u>\$664,000</u>
11	<u>Pension Funding Stabilization Account—State</u>	
12	<u>Appropriation.</u>	<u>\$443,000</u>
13	TOTAL APPROPRIATION.	((\$21,714,000))
14		<u>\$21,856,000</u>

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

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

23 (b) \$200,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$200,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for the implementation of
26 chapter 192, Laws of 2017 (SB 5849) (veterans' services).

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

31 (3) INSTITUTIONAL SERVICES

32	General Fund—State Appropriation (FY 2018)	((\$2,105,000))
33		<u>\$12,175,000</u>
34	General Fund—State Appropriation (FY 2019)	((\$2,307,000))
35		<u>\$6,548,000</u>
36	General Fund—Federal Appropriation	((\$93,767,000))
37		<u>\$82,011,000</u>
38	General Fund—Private/Local Appropriation	((\$35,687,000))

1		<u>\$31,980,000</u>
2	<u>Pension Funding Stabilization Account—State</u>	
3	<u>Appropriation.</u>	<u>\$1,462,000</u>
4	TOTAL APPROPRIATION.	((<u>\$133,866,000</u>))
5		<u>\$134,176,000</u>

6 **Sec. 219.** 2017 3rd sp.s. c 1 s 219 (uncodified) is amended to
7 read as follows:

8 **FOR THE DEPARTMENT OF HEALTH**

9	General Fund—State Appropriation (FY 2018)	((<u>\$71,759,000</u>))
10		<u>\$71,119,000</u>
11	General Fund—State Appropriation (FY 2019)	((<u>\$72,148,000</u>))
12		<u>\$75,842,000</u>
13	General Fund—Federal Appropriation	((<u>\$550,186,000</u>))
14		<u>\$550,102,000</u>
15	General Fund—Private/Local Appropriation	((<u>\$185,189,000</u>))
16		<u>\$186,832,000</u>
17	Hospital Data Collection Account—State Appropriation	((<u>\$348,000</u>))
18		<u>\$347,000</u>
19	Health Professions Account—State Appropriation	((<u>\$129,629,000</u>))
20		<u>\$130,317,000</u>
21	Aquatic Lands Enhancement Account—State Appropriation	\$623,000
22	Emergency Medical Services and Trauma Care Systems	
23	Trust Account—State Appropriation	((<u>\$9,247,000</u>))
24		<u>\$9,246,000</u>
25	Safe Drinking Water Account—State Appropriation	((<u>\$5,678,000</u>))
26		<u>\$5,666,000</u>
27	Drinking Water Assistance Account—Federal	
28	Appropriation	((<u>\$16,016,000</u>))
29		<u>\$15,990,000</u>
30	Waterworks Operator Certification—State Appropriation	((<u>\$1,671,000</u>))
31		<u>\$1,835,000</u>
32	Drinking Water Assistance Administrative Account—State	
33	Appropriation	((<u>\$372,000</u>))
34		<u>\$371,000</u>
35	Site Closure Account—State Appropriation	((<u>\$169,000</u>))
36		<u>\$168,000</u>
37	Biotoxin Account—State Appropriation	((<u>\$1,972,000</u>))
38		<u>\$1,967,000</u>

1	State Toxics Control Account—State Appropriation . . .	((\$4,259,000))
2		<u>\$4,248,000</u>
3	Medicaid Fraud Penalty Account—State Appropriation	\$938,000
4	Medical Test Site Licensure Account—State	
5	Appropriation	((\$2,594,000))
6		<u>\$2,590,000</u>
7	Youth Tobacco and Vapor Products Prevention Account—State	
8	Appropriation	((\$4,963,000))
9		<u>\$3,363,000</u>
10	Dedicated Marijuana Account—State Appropriation	
11	(FY 2018).	\$9,761,000
12	Dedicated Marijuana Account—State Appropriation	
13	(FY 2019).	((\$9,766,000))
14		<u>\$9,764,000</u>
15	Public Health Supplemental Account—Private/Local	
16	Appropriation	\$3,248,000
17	<u>Pension Funding Stabilization Account—State</u>	
18	<u>Appropriation.</u>	<u>\$3,821,000</u>
19	Accident Account—State Appropriation	((\$344,000))
20		<u>\$343,000</u>
21	Medical Aid Account—State Appropriation	\$53,000
22	Suicide-Safer Homes Project Account—State Appropriation. . .	\$50,000
23	TOTAL APPROPRIATION.	((\$1,080,983,000))
24		<u>\$1,088,604,000</u>

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

27 (1) The department of health shall not initiate any services that
28 will require expenditure of state general fund moneys unless
29 expressly authorized in this act or other law. The department of
30 health and the state board of health shall not implement any new or
31 amended rules pertaining to primary and secondary school facilities
32 until the rules and a final cost estimate have been presented to the
33 legislature, and the legislature has formally funded implementation
34 of the rules through the omnibus appropriations act or by statute.
35 The department may seek, receive, and spend, under RCW 43.79.260
36 through 43.79.282, federal moneys not anticipated in this act as long
37 as the federal funding does not require expenditure of state moneys
38 for the program in excess of amounts anticipated in this act. If the
39 department receives unanticipated unrestricted federal moneys, those

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

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

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

28 (4)(a) \$5,000,000 of the general fund—state appropriation for
29 fiscal year 2018 and \$5,000,000 of the general fund—state
30 appropriation for fiscal year 2019 are provided solely for the
31 department to support the local health jurisdictions to improve their
32 ability to address (i) communicable disease monitoring and prevention
33 and (ii) chronic disease and injury prevention. The department and
34 representatives of local health jurisdictions must work together to
35 arrive at a mutually acceptable allocation and distribution of funds
36 and to determine the best accountability measures to ensure efficient
37 and effective use of funds, emphasizing the use of shared services.

38 (b) By December 31, 2017, the department shall provide a
39 preliminary report, and by November 30, 2018, a final report, to the
40 appropriate committees of the legislature regarding:

1 (i) The allocation of funding, as provided in this subsection, to
2 the local health jurisdictions;

3 (ii) Steps taken by the local health jurisdictions that received
4 funding to improve communicable disease monitoring and prevention and
5 chronic disease and injury prevention;

6 (iii) An assessment of the effectiveness of the steps taken by
7 local health jurisdictions and the criteria measured; and

8 (iv) Any recommendations for future models for service delivery
9 to address communicable and chronic diseases.

10 (5)(a) \$1,000,000 of the general fund—state appropriation for
11 fiscal year 2018 and \$1,000,000 of the general fund—state
12 appropriation for fiscal year 2019 are provided solely for the
13 department, as part of foundational public health services, to
14 implement strategies to control the spread of communicable diseases
15 and other health threats. These strategies may include updating or
16 replacing equipment in the state public health laboratory; addressing
17 health inequities among state residents; reporting on the root cause
18 analyses of adverse events at medical facilities; performing critical
19 activities to prevent adverse health consequences of hepatitis C; or
20 assessing information technology system consolidation and
21 modernization opportunities for statewide public health data systems.

22 (b) By November 30, 2018, the department shall develop a
23 statewide governmental public health improvement plan and provide it
24 to the appropriate committees of the legislature.

25 (6) \$26,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$10,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the implementation of
28 chapter 295, Laws of 2017 (SHB 1258) (first responders/disability).

29 (7) Within amounts appropriated in this section, funding is
30 provided to implement chapter 312, Laws of 2017 (SSB 5046) (language
31 of public notices).

32 (8) \$39,000 of the general fund—local appropriation is provided
33 solely for the implementation of chapter 249, Laws of 2017 (ESHB
34 1714) (nurse staffing plans).

35 (9) \$27,000 of the health professions account—state appropriation
36 and \$50,000 of the Suicide-Safer Homes Project account are provided
37 solely for the implementation of chapter 262, Laws of 2017 (E2SHB
38 1612) (reducing access to lethal means).

1 (10) \$269,000 of the health professions account—state
2 appropriation is provided solely for the implementation of chapter
3 297, Laws of 2017 (ESHB 1427) (opioid treatment program).

4 (11) \$350,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$350,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided to the department solely to cover costs
7 of providing increased capacity under existing contracts with suicide
8 prevention lines to respond to calls to the national suicide
9 prevention lifeline.

10 (12) \$40,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$40,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for the midwifery licensure and
13 regulatory program to supplement revenue from fees. The department
14 shall charge no more than five hundred twenty-five dollars annually
15 for new or renewed licenses for the midwifery program.

16 (13)(a) Within amounts appropriated in this section, the
17 department, in consultation with advocacy groups and experts that
18 focus on hunger and poverty issues, shall produce a report regarding
19 ongoing nutrition assistance programs funded by the United States
20 department of agriculture and administered in Washington state. The
21 report must be a compilation, by program, of data already collected
22 by the department of social and health services, the department of
23 health, the office of the superintendent of public instruction, and
24 the Washington state department of agriculture, and it must include,
25 where available, but is not limited to:

26 (i) The number of people in Washington who are eligible for the
27 program;

28 (ii) The number of people in Washington who participated in the
29 program;

30 (iii) The average annual participation rate in the program;

31 (iv) Participation rates by geographic distribution; and

32 (v) The annual federal funding of the program in Washington.

33 (b) The department shall report to the appropriate committees of
34 the legislature and to the governor. An initial report is due by
35 April 30, 2018, and a second report is due by April 30, 2019.

36 (14) Information technology projects or investments and proposed
37 projects or investments impacting time capture, payroll and payment
38 processes and systems eligibility, case management, and authorization

1 systems within the department of health are subject to technical
2 oversight by the office of the state chief information officer.

3 (15) \$2,604,000 of the health professions account—state
4 appropriation is provided solely for the medical quality assurance
5 commission to address increased workload.

6 (16) \$896,000 of the health professions account—state
7 appropriation is provided solely for the pharmacy commission to
8 improve research and communication to pharmacies regarding the
9 development and implementation of new and changing rules.

10 (17) \$9,000,000 of the general fund—federal appropriation is
11 provided solely for the department to implement projects and
12 activities during the 2017-2019 fiscal biennium that are designed to
13 improve the health and well-being of individuals living with human
14 immunodeficiency virus, including:

15 (a) A health disparity project to increase access to dental,
16 mental health, and housing services for populations that have
17 historically experienced limited access to needed services, including
18 Latino individuals in central Washington;

19 (b) A project to establish a peer-to-peer network for individuals
20 living with human immunodeficiency virus. Trained navigators will
21 work to link individuals living with human immunodeficiency virus to
22 medical care, housing support, training, and other needed services;

23 (c) A project to expand the MAX clinic within Harborview hospital
24 to serve an increased number of high-need clients and establishing a
25 MAX clinic to serve high-need clients in Pierce county. This project
26 shall also provide statewide training for staff of the department, of
27 local health jurisdictions, and of providers of services for persons
28 with human immunodeficiency virus;

29 (d) The development of a single eligibility portal to allow
30 statewide usage and streamlined case management for individuals who
31 are living with human immunodeficiency virus and receiving public
32 health services; and

33 (e) An assessment and evaluation of the effectiveness of each of
34 the projects outlined in subsections (a) through (d) of this
35 subsection.

36 (18) \$6,096,000 of the general fund—local appropriation is
37 provided solely for the department to target its efforts in the HIV
38 early intervention program toward populations with health
39 disparities.

1 (19) \$1,118,000 of the general fund—local appropriation is
2 provided solely for equipment, testing supplies, and materials
3 necessary to add x-linked adrenoleukodystrophy to the mandatory
4 newborn screening panel. The department is authorized to increase the
5 newborn screening fee by \$8.10.

6 (20) \$1,500,000 of the general fund—state appropriation for
7 fiscal year 2018 and \$1,500,000 of the general fund—state
8 appropriation for fiscal year 2019 are provided solely for:

9 (a) Increased screening, case management, and an electronic data
10 reporting system to identify children who are at the highest risk of
11 having elevated levels of lead in their blood, prioritizing children
12 who live in areas where the risk is highest; and

13 (b) Sampling and testing of drinking water and water fixtures in
14 public schools. The department, in collaboration with the educational
15 service districts, must prioritize testing within elementary schools
16 where drinking water and water fixtures have not been tested for
17 contaminants at any time, and elementary schools where drinking water
18 and water fixtures have not been tested within the past three years.
19 Consistent with the United States environmental protection agency's
20 manual, "3Ts for Reducing Lead in Drinking Water in Schools—Revised
21 Technical Guidance," the department must develop guidance and testing
22 protocols for the lead action level for drinking water and for
23 testing drinking water and drinking water fixtures in public and
24 private schools. The guidance must include:

25 (i) Actions to take if test results exceed the federal action
26 level or public drinking water standard;

27 (ii) Recommendations to schools on prioritizing fixture
28 replacement, and options for further reducing lead, including
29 replacement of fixtures or use of certified filters when results are
30 below the federal action level for schools, but exceed the maximum
31 level recommended by the American Academy of Pediatrics; and

32 (iii) Recommendations for communicating test results and risk to
33 parents and the community, including that there is no safe level of
34 lead in water and that action may be warranted even if levels are
35 below the action level.

36 (21) \$277,000 of the general fund—local appropriation is provided
37 solely to implement chapter 207, Laws of 2017 (E2SHB 1819)
38 (children's mental health).

1 (22) \$130,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$130,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely to increase the funding for the
4 breast, cervical, and colon health program administered by the
5 department.

6 (23) Within the amounts appropriated in this section, and in
7 accordance with RCW 43.20B.110 and 70.41.100, the department shall
8 set fees to include the full costs of the performance of inspections
9 pursuant to RCW 70.41.080.

10 (24) Within the amounts appropriated in this section, and in
11 accordance with RCW 43.70.110 and 71.12.470, the department shall set
12 fees to include the full costs of the performance of inspections
13 pursuant to RCW 71.12.485.

14 (25) \$250,000 of the general fund—state appropriation for fiscal
15 year 2018 and \$250,000 of the general fund—state appropriation for
16 fiscal year 2019 are provided solely for the department to contract
17 with a nongovernmental entity that has experience in adapting global
18 health strategies to underserved communities for a pilot program to
19 develop strategies to address health disparities in rural
20 communities. The program should engage marginalized communities in
21 order to identify barriers and social determinants that most impact
22 health, including access to housing and food and economic stability.
23 The department must report to the legislature by December 1, 2018,
24 regarding identified barriers and any recommendations for
25 interventions.

26 (26) \$27,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$16,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for the implementation of
29 chapter 273, Laws of 2017 (E2SHB 1358) (community assistance referral
30 programs).

31 (27) \$224,000 of the health professions account—state
32 appropriation is provided solely for the implementation of chapter
33 320, Laws of 2017 (SSB 5322) (dentists and third parties).

34 (28) \$93,000 of the health professions account—state
35 appropriation is provided solely for the implementation of chapter
36 101, Laws of 2017 (ESHB 1431) (osteopathic medicine and surgery).

37 (29) \$82,000 of the general fund—local appropriation is provided
38 solely for the implementation of chapter 263, Laws of 2017 (SSB 5152)
39 (pediatric transitional care).

1 (30) \$25,000 of the general fund—state appropriation for fiscal
2 year 2018 is provided solely for the department to prepare and submit
3 a report about the certificate of need program to the governor and
4 the appropriate fiscal and policy committees of the legislature by
5 October 1, 2017. By health care setting, for each of the preceding
6 ten fiscal years, the report must show the total number of
7 applications, the total number of accepted applications, the total
8 number of beds requested, the total number of beds approved, and a
9 summary of the most common reasons for declining an application. The
10 report must include suggestions for modifying the program to increase
11 the number of successful applications. At least one suggestion must
12 address the goal of adding psychiatric beds within hospitals.

13 (31) The department, in collaboration with the health care
14 authority, shall work to ensure that a single platform provider
15 credentialing system is implemented. The authority and department
16 shall ensure that appropriate cost offsets and cost avoidance are
17 assumed for reduced staff time required for provider credentialing
18 activity and reductions in improper billing activity when
19 implementing provider credentialing systems.

20 (32) \$28,000 of the general fund—state appropriation for fiscal
21 year 2018 and \$28,000 of the general fund—state appropriation for
22 fiscal year 2019 are provided solely for staffing capacity at the
23 department to support a performance audit of the fee-setting process
24 for each health profession licensed by the department.

25 (33) The appropriations in this section include sufficient
26 funding for the implementation of chapter 294, Laws of 2017 (SSB
27 5835) (health outcomes/pregnancy).

28 (34) In accordance with RCW 43.20B.110, 43.135.055, and
29 71.24.035, the department is authorized to adopt license and
30 certification fees in fiscal year 2019 to support the costs of the
31 regulatory program. The department's fee schedule shall have
32 differential rates for providers with proof of accreditation from
33 organizations that the department has determined to have
34 substantially equivalent standards to those of the department,
35 including but not limited to the joint commission on accreditation of
36 health care organizations, the commission on accreditation of
37 rehabilitation facilities, and the council on accreditation. To
38 reflect the reduced costs associated with regulation of accredited
39 programs, the department's fees for organizations with such proof of

1 accreditation must reflect the lower costs of licensing for these
2 programs than for other organizations which are not accredited.

3 (35) In accordance with RCW 70.96A.090, 71.24.035, 43.20B.110,
4 and 43.135.055, the department is authorized to adopt fees for the
5 review and approval of mental health and substance use disorder
6 treatment programs in fiscal years 2018 and 2019 as necessary to
7 support the costs of the regulatory program. The department's fee
8 schedule must have differential rates for providers with proof of
9 accreditation from organizations that the department has determined
10 to have substantially equivalent standards to those of the
11 department, including but not limited to the joint commission on
12 accreditation of health care organizations, the commission on
13 accreditation of rehabilitation facilities, and the council on
14 accreditation. To reflect the reduced costs associated with
15 regulation of accredited programs, the department's fees for
16 organizations with such proof of accreditation must reflect the lower
17 cost of licensing for these programs than for other organizations
18 which are not accredited.

19 **Sec. 220.** 2017 3rd sp.s. c 1 s 220 (uncodified) is amended to
20 read as follows:

21 **FOR THE DEPARTMENT OF CORRECTIONS**

22 The appropriations to the department of corrections in this act
23 shall be expended for the programs and in the amounts specified in
24 this act. To the extent that appropriations in this section are
25 insufficient to fund actual expenditures in excess of caseload
26 forecasts and utilization assumptions, the department, after May 1,
27 2018, may transfer general fund—state appropriations for fiscal year
28 2018 that are provided solely for a specified purpose. The department
29 may not transfer funds, and the director of the office of financial
30 management may not approve the transfer, unless the transfer is
31 consistent with the objective of conserving, to the maximum extent
32 possible, the expenditure of state funds. The director of the office
33 of financial management shall notify the appropriate fiscal
34 committees of the senate and house of representatives in writing
35 seven days prior to approving any allotment modifications or
36 transfers under this subsection. The written notification must
37 include a narrative explanation and justification of changes, along
38 with expenditures and allotments by budget unit and appropriation,
39 both before and after any allotment modifications and transfers.

1	(1) ADMINISTRATION AND SUPPORT SERVICES	
2	General Fund—State Appropriation (FY 2018)	((\$64,492,000))
3		<u>\$61,948,000</u>
4	General Fund—State Appropriation (FY 2019)	((\$64,219,000))
5		<u>\$61,444,000</u>
6	<u>General Fund—Federal Appropriation.</u>	<u>\$398,000</u>
7	<u>Pension Funding Stabilization Account—State</u>	
8	<u>Appropriation.</u>	<u>\$7,602,000</u>
9	TOTAL APPROPRIATION.	((\$128,711,000))
10		<u>\$131,392,000</u>

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

13 (a) \$35,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$35,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the support of a statewide
16 council on mentally ill offenders that includes as its members
17 representatives of community-based mental health treatment programs,
18 current or former judicial officers, and directors and commanders of
19 city and county jails and state prison facilities. The council will
20 investigate and promote cost-effective approaches to meeting the
21 long-term needs of adults and juveniles with mental disorders who
22 have a history of offending or who are at-risk of offending,
23 including their mental health, physiological, housing, employment,
24 and job training needs.

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

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

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

37 (I) A seniority system; a merit system; a system that measures
38 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 (II) 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 (III) 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 (ii) The provision must allow for the termination of the contract
11 if the department or department of enterprise services determines
12 that the vendor is not in compliance with this agreement or contract
13 term.

14 (iii) The department must implement this provision with any new
15 contract and at the time of renewal of any existing contract.

16 (c) \$865,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$587,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for information technology
19 business solutions and are subject to the conditions, limitations,
20 and review provided in section 724 of this act.

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

28 (2) CORRECTIONAL OPERATIONS

29	General Fund—State Appropriation (FY 2018)	. . . . .	((\$541,061,000))
30			<u>\$502,825,000</u>
31	General Fund—State Appropriation (FY 2019)	. . . . .	((\$562,878,000))
32			<u>\$514,272,000</u>
33	General Fund—Federal Appropriation	. . . . .	\$818,000
34	Washington Auto Theft Prevention Authority Account—State		
35	Appropriation	. . . . .	((\$4,608,000))
36			<u>\$4,586,000</u>
37	<u>Pension Funding Stabilization Account—State</u>		
38	<u>Appropriation.</u>	. . . . .	<u>\$62,831,000</u>
39	TOTAL APPROPRIATION.	. . . . .	((\$1,109,365,000))

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

(a) The department may contract for beds statewide to the extent that it is at no net cost to the department. The department shall calculate and report the average cost per offender per day, inclusive of all services, on an annual basis for a facility that is representative of average medium or lower offender costs. The duration of the contracts may be for up to four years. The department shall not pay a rate greater than \$85 per day per offender for all costs associated with the offender while in the local correctional facility to include programming and health care costs, or the equivalent of \$85 per day per bed including programming and health care costs for full units. The capacity provided at local correctional facilities must be for offenders whom the department of corrections defines as medium or lower security offenders. Programming provided for inmates held in local jurisdictions is included in the rate, and details regarding the type and amount of programming, and any conditions regarding transferring offenders must be negotiated with the department as part of any contract. Local jurisdictions must provide health care to offenders that meet standards set by the department. The local jail must provide all medical care including unexpected emergent care. The department must utilize a screening process to ensure that offenders with existing extraordinary medical/mental health needs are not transferred to local jail facilities. If extraordinary medical conditions develop for an inmate while at a jail facility, the jail may transfer the offender back to the department, subject to terms of the negotiated agreement. Health care costs incurred prior to transfer are the responsibility of the jail.

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

(c) \$1,379,000 of the general fund—state appropriation for fiscal year 2018, and \$1,379,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to contract

1 for the use of inmate bed capacity in lieu of prison beds operated by
2 the state to meet prison capacity needs.

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

11 (e) Within the amounts appropriated in this section, funding is
12 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
13 offense/felony).

14 (f) The appropriations in this section include sufficient funding
15 for the implementation of chapter 226, Laws of 2017 (HB 1153)
16 (vulnerable persons/crimes).

17 ~~((g) The appropriations in this section include sufficient
18 funding for the implementation of Senate Bill No. 5934 (concerning
19 convicted persons)-))~~

20 (i) Within the amounts appropriated in this section, the
21 department of corrections must review the use of full body scanners
22 at state correctional facilities for women to reduce the frequency of
23 strip and body cavity searches and report with recommendations to the
24 governor and the appropriate legislative committees by November 15,
25 2017. The report must address the cost of technology, installation,
26 and maintenance; the benefits to personnel and inmates; information
27 regarding accumulated exposure to radiation; and general guidelines
28 for implementation at a pilot facility.

29 (3) COMMUNITY SUPERVISION

30	General Fund—State Appropriation (FY 2018)	. . . . .	(\$181,670,000)
31			<u>\$182,151,000</u>
32	General Fund—State Appropriation (FY 2019)	. . . . .	(\$187,807,000)
33			<u>\$191,941,000</u>
34	General Fund—Federal Appropriation	. . . . .	(\$2,368,000)
35			<u>\$2,896,000</u>
36	<u>Pension Funding Stabilization Account—State</u>		
37	<u>Appropriation.</u>	. . . . .	<u>\$12,791,000</u>
38	TOTAL APPROPRIATION.	. . . . .	(\$371,845,000)
39			<u>\$389,779,000</u>

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

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

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

18 (c) By January 1, 2018, the department of corrections shall
19 provide a report to the office of financial management and the
20 appropriate fiscal and policy committees of the legislature to
21 include a review of the department's policies and procedures related
22 to swift and certain sanctioning, and identification of legal
23 decisions that impact caseload and operations. The report shall
24 include recommendations for improving public and staff safety while
25 decreasing recidivism through improved alignment of the department's
26 policies and procedures with current best practices concerning swift
27 and certain sanctioning. The report shall include a review of
28 department practices, legal decisions that impact caseload and
29 operations, an analysis of current best practices in other
30 jurisdictions that have adopted swift and certain sanctioning, and
31 recommendations to improve the department's practices and procedures.

32 (d) Within the amounts appropriated in this section, funding is
33 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
34 offense/felony).

35 ~~((e) The appropriations in this section include sufficient
36 funding for the implementation of Senate Bill No. 5934 (concerning
37 convicted persons).))~~

38 (4) CORRECTIONAL INDUSTRIES

39 General Fund—State Appropriation (FY 2018) ((\$5,985,000))

1		<u>\$6,526,000</u>
2	General Fund—State Appropriation (FY 2019)	((\$6,085,000))
3		<u>\$6,055,000</u>
4	<u>Pension Funding Stabilization Account—State</u>	
5	<u>Appropriation.</u>	<u>\$510,000</u>
6	TOTAL APPROPRIATION.	((\$12,070,000))
7		<u>\$13,091,000</u>
8	(5) INTERAGENCY PAYMENTS	
9	General Fund—State Appropriation (FY 2018)	((\$44,091,000))
10		<u>\$45,250,000</u>
11	General Fund—State Appropriation (FY 2019)	((\$41,176,000))
12		<u>\$43,175,000</u>
13	TOTAL APPROPRIATION.	((\$85,267,000))
14		<u>\$88,425,000</u>
15	(6) OFFENDER CHANGE	
16	General Fund—State Appropriation (FY 2018)	((\$55,170,000))
17		<u>\$52,713,000</u>
18	General Fund—State Appropriation (FY 2019)	((\$56,426,000))
19		<u>\$53,689,000</u>
20	<u>Pension Funding Stabilization Account—State</u>	
21	<u>Appropriation.</u>	<u>\$4,434,000</u>
22	TOTAL APPROPRIATION.	((\$111,596,000))
23		<u>\$110,836,000</u>

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

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

34 (b) Within the amounts appropriated in this section, funding is
35 provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th
36 offense/felony).

37 (7) HEALTH CARE SERVICES
38 General Fund—State Appropriation (FY 2018). ((~~\$128,680,000~~))

1		<u>\$148,538,000</u>
2	General Fund—State Appropriation (FY 2019)	((\$127,782,000))
3		<u>\$148,375,000</u>
4	TOTAL APPROPRIATION.	((\$256,462,000))
5		<u>\$296,913,000</u>

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

11 **Sec. 221.** 2017 3rd sp.s. c 1 s 221 (uncodified) is amended to
12 read as follows:

13 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

14	General Fund—State Appropriation (FY 2018)	((\$2,478,000))
15		<u>\$2,453,000</u>
16	General Fund—State Appropriation (FY 2019)	((\$2,525,000))
17		<u>\$2,565,000</u>
18	General Fund—Federal Appropriation	((\$25,276,00))
19		<u>\$25,273,000</u>
20	General Fund—Private/Local Appropriation	\$60,000
21	<u>Pension Funding Stabilization Account—State</u>	
22	<u>Appropriation.</u>	<u>\$173,000</u>
23	TOTAL APPROPRIATION.	((\$30,339,000))
24		<u>\$30,524,000</u>

25 **Sec. 222.** 2017 3rd sp.s. c 1 s 222 (uncodified) is amended to
26 read as follows:

27 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

28	General Fund—Federal Appropriation	((\$216,993,000))
29		<u>\$209,407,000</u>
30	General Fund—Private/Local Appropriation	((\$35,426,000))
31		<u>\$35,373,000</u>
32	Unemployment Compensation Administration Account—Federal	
33	Appropriation	((\$270,643,000))
34		<u>\$267,711,000</u>
35	Administrative Contingency Account—State	
36	Appropriation	((\$20,386,000))
37		<u>\$20,190,000</u>

1	Employment Service Administrative Account—State	
2	Appropriation	((\$53,555,000))
3		<u>\$53,563,000</u>
4	Family and Medical Leave Insurance Account—State	
5	Appropriation.	\$82,000,000
6	TOTAL APPROPRIATION.	((\$679,003,000))
7		<u>\$668,244,000</u>

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

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

13 (2) \$4,152,000 of the unemployment compensation administration
14 account—federal appropriation is provided solely to the unemployment
15 tax and benefits systems and is subject to the conditions,
16 limitations, and review provided in section 724 of this act.

17 (3) \$82,000,000 of the family and medical leave insurance account
18 —state appropriation is provided solely for implementation of
19 Substitute House Bill No. 1116 (family and medical leave insurance),
20 Senate Bill No. 5975 (paid family and medical leave), or Senate Bill
21 No. 5032 (family and medical leave insurance). If none of the bills
22 are enacted by July 31, 2017, the amount provided in this subsection
23 shall lapse.

24 (4) \$207,000 of the general fund—federal appropriation is
25 provided solely for work associated with the career connected
26 learning strategic plan in section 501(49) of this act.

27 **Sec. 223.** 2017 3rd sp.s. c 1 s 223 (uncodified) is amended to
28 read as follows:

29 **FOR THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES**

30 The appropriations to the department of children, youth, and
31 families in this act shall be expended for the programs and in the
32 amounts specified in this act. To the extent that appropriations in
33 this section are insufficient to fund actual expenditures in excess
34 of caseload forecasts and utilization assumptions, the department,
35 after May 1, 2018, may transfer general fund—state appropriations for
36 fiscal year 2018 that are provided solely for a specified purpose.
37 The department may not transfer funds, and the director of the office
38 of financial management may not approve the transfer, unless the

1 transfer is consistent with the objective of conserving, to the
2 maximum extent possible, the expenditure of state funds. The director
3 of the office of financial management shall notify the appropriate
4 fiscal committees of the senate and house of representatives in
5 writing seven days prior to approving any allotment modifications or
6 transfers under this subsection. The written notification must
7 include a narrative explanation and justification of changes, along
8 with expenditures and allotments by budget unit and appropriation,
9 both before and after any allotment modifications and transfers.

10 (1) CHILDREN AND FAMILIES SERVICES PROGRAM

11 General Fund—State Appropriation (FY 2019).	((\$366,467,000))
12	<u>\$363,017,000</u>
13 General Fund—Federal Appropriation.	((\$236,770,000))
14	<u>\$243,245,000</u>
15 General Fund—Private/Local Appropriation.	\$1,477,000
16 Domestic Violence Prevention Account—State	
17 Appropriation.	\$1,002,000
18 <u>Pension Funding Stabilization Account—State</u>	
19 <u>Appropriation.</u>	<u>\$13,976,000</u>
20 TOTAL APPROPRIATION.	((\$605,716,000))
21	<u>\$622,717,000</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
39 families that provide a foster care delivery model that includes a

1 licensed hub home. Use of the hub home model is intended to support
2 foster parent retention, improve child outcomes, and encourage the
3 least restrictive community placements for children in out-of-home
4 care.

5 (c) \$579,000 of the general fund—state appropriation for fiscal
6 year 2019 and \$55,000 of the general fund—federal appropriation are
7 provided solely for a receiving care center east of the Cascade
8 mountains.

9 (d) \$990,000 of the general fund—state appropriation for fiscal
10 year 2019 is provided solely for services provided through children's
11 advocacy centers.

12 (e) \$1,351,000 of the general fund—state appropriation for fiscal
13 year 2019 is provided solely for implementation of performance-based
14 contracts for family support and related services pursuant to RCW
15 74.13B.020.

16 (f) \$7,173,000 of the general fund—state appropriation for fiscal
17 year 2019 and \$6,022,000 of the general fund—federal appropriation
18 are provided solely for family assessment response.

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

23 (h) \$2,933,000 of the general fund—state appropriation for fiscal
24 year 2019 and \$876,000 of the general fund—federal appropriation are
25 provided solely for the department to reduce the caseload ratios of
26 social workers serving children in foster care to promote decreased
27 lengths of stay and to make progress towards achievement of the Braam
28 settlement caseload outcome.

29 (i)(A) \$540,000 of the general fund—state appropriation for
30 fiscal year 2019, \$328,000 of the general fund private/local
31 appropriation, and \$126,000 of the general fund—federal appropriation
32 are provided solely for a contract with an educational advocacy
33 provider with expertise in foster care educational outreach. The
34 amounts in this subsection are provided solely for contracted
35 education coordinators to assist foster children in succeeding in
36 K-12 and higher education systems and to assure a focus on education
37 during the department's transition to performance-based contracts.
38 Funding must be prioritized to regions with high numbers of foster
39 care youth, or regions where backlogs of youth that have formerly

1 requested educational outreach services exist. The department is
2 encouraged to use private matching funds to maintain educational
3 advocacy services.

4 (B) The department shall contract with the office of the
5 superintendent of public instruction, which in turn shall contract
6 with a nongovernmental entity or entities to provide educational
7 advocacy services pursuant to RCW 28A.300.590.

8 (j) The department shall continue to implement policies to reduce
9 the percentage of parents requiring supervised visitation, including
10 clarification of the threshold for transition from supervised to
11 unsupervised visitation prior to reunification.

12 (k) \$111,000 of the general fund—state appropriation for fiscal
13 year 2019 and \$26,000 of the general fund—federal appropriation are
14 provided solely for a base rate increase for licensed family child
15 care providers. In addition, \$45,000 of the general fund—state
16 appropriation for fiscal year 2019 and \$11,000 of the general fund—
17 federal appropriation are provided solely for increasing paid
18 professional days from three days to five days for licensed family
19 child care providers. Amounts in this subsection are provided solely
20 for the 2017-2019 collective bargaining agreement covering family
21 child care providers as set forth in section 940 of this act. Amounts
22 provided in this subsection are contingent on 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 (k) shall lapse.

26 (l) \$321,000 of the general fund—state appropriation for fiscal
27 year 2019 and \$133,000 of the general fund—federal appropriation are
28 provided solely to implement chapter 265, Laws of 2017 (SHB 1867)
29 (ext. foster care transitions).

30 (m) \$400,000 of the general fund—state appropriation for fiscal
31 year 2019 is provided solely for a contract with a national nonprofit
32 organization to, in partnership with private matching funds,
33 subcontract with a community organization for specialized, enhanced
34 adoption placement services for legally free children in state
35 custody. The contract must supplement, but not supplant, the work of
36 the department to secure permanent adoptive homes for children.

37 (n) \$375,000 of the general fund—state appropriation for fiscal
38 year 2019 and \$56,000 of the general fund—federal appropriation are
39 provided solely for the department to develop, implement, and expand

1 strategies to improve the capacity, reliability, and effectiveness of
2 contracted visitation services for children in temporary out-of-home
3 care and their parents and siblings. Strategies may include, but are
4 not limited to, increasing mileage reimbursement for providers,
5 offering transportation-only contract options, and mechanisms to
6 reduce the level of parent-child supervision when doing so is in the
7 best interest of the child. The department must submit an analysis of
8 the strategies and associated outcomes no later than October 1, 2018.

9 ~~(o) ((\$3,600,000 of the general fund state appropriation for~~
10 ~~fiscal year 2019 is provided solely for state supplemental payments~~
11 ~~for the state maintenance of effort requirement to qualify for~~
12 ~~medicaid federal financial participation.))~~ For purposes of meeting
13 the state's maintenance of effort for the state supplemental payment
14 program, the department of children, youth, and families shall track
15 and report to the department of social and health services the
16 monthly state supplemental payment amounts attributable to foster
17 care children who meet eligibility requirements specified in the
18 state supplemental payment state plan. Such expenditures must equal
19 at least \$3,100,000 annually and may not be claimed toward any other
20 federal maintenance of effort requirement. Annual state supplemental
21 payment expenditure targets must continue to be established by the
22 department of social and health services. Attributable amounts must
23 be communicated by the department of children, youth, and families to
24 the department of 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 (2) EARLY LEARNING PROGRAM

12	General Fund—State Appropriation (FY 2019)	. . . . .	((\$126,721,000))
13			<u>\$133,530,000</u>
14	General Fund—Federal Appropriation	. . . . .	((\$148,179,000))
15			<u>\$148,045,000</u>
16	Education Legacy Trust Account—State Appropriation	.	((\$14,192,000))
17			<u>\$14,189,000</u>
18	Home Visiting Services Account—State Appropriation	. .	((\$3,191,000))
19			<u>\$3,189,000</u>
20	Home Visiting Services Account—Federal		
21	Appropriation	. . . . .	((\$11,708,000))
22			<u>\$11,705,000</u>
23	WA Opportunity Pathways Account—State Appropriation	. . .	\$40,000,000
24	<u>Pension Funding Stabilization Account—State</u>		
25	<u>Appropriation.</u>	. . . . .	<u>\$468,000</u>
26	TOTAL APPROPRIATION.	. . . . .	((\$343,991,000))
27			<u>\$351,126,000</u>

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

30 (a) \$67,938,000 of the general fund—state appropriation for
 31 fiscal year 2019, \$12,125,000 of the education legacy trust account—
 32 state appropriation, and \$40,000,000 of the opportunity pathways
 33 account appropriation are provided solely for the early childhood
 34 education and assistance program. These amounts shall support at
 35 least 13,491 slots in fiscal year 2019.

36 (b) \$200,000 of the general fund—state appropriation for fiscal
 37 year 2019 is provided solely to develop and provide culturally
 38 relevant supports for parents, family, and other caregivers.

1 (c) The department is the lead agency for and recipient of the
2 federal child care and development fund grant. Amounts within this
3 grant shall be used to fund child care licensing, quality
4 initiatives, agency administration, and other costs associated with
5 child care subsidies. The department shall transfer a portion of this
6 grant to the department of social and health services to fund the
7 child care subsidies paid by the department of social and health
8 services on behalf of the department.

9 (d)(i) (~~(\$76,650,000)~~) \$78,604,000 of the general fund—federal
10 appropriation is provided solely for the working connections child
11 care program under RCW 43.215.135. In order to not exceed the
12 appropriated amount, the department shall manage the program so that
13 the average monthly caseload does not exceed 33,000 households. The
14 department shall give prioritized access into the program according
15 to the following order:

16 (A) Families applying for or receiving temporary assistance for
17 needy families (TANF);

18 (B) TANF families curing sanction;

19 (C) Foster children;

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

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

25 (F) Families with a child residing with a biological parent or
26 guardian who have received child protective services, child welfare
27 services, or a family assessment response from the department in the
28 past six months, and has received a referral for child care as part
29 of the family's case management;

30 (G) Families that received subsidies within the last thirty days
31 and:

32 (I) Have reapplied for subsidies; and

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

35 (H) All other eligible families.

36 (ii) The department, in collaboration with the department of
37 social and health services, must submit a final report by December 1,
38 2018, to the governor and the appropriate fiscal and policy
39 committees of the legislature on quality control measures for the
40 working connections child care program. The report must include:

1 (A) A detailed narrative of the procurement and implementation of
2 an improved time and attendance system, including a detailed
3 accounting of the costs of procurement and implementation;

4 (B) A comprehensive description of all processes, including
5 computer algorithms and additional rule development, that the
6 department and the department of social and health services plan to
7 establish prior to and after full implementation of the time and
8 attendance system. At a minimum, processes must be designed to:

9 (I) Ensure the department's auditing efforts are informed by
10 regular and continuous alerts of the potential for overpayments;

11 (II) Avoid overpayments to the maximum extent possible and
12 expediently recover overpayments that have occurred;

13 (III) Withhold payment from providers when necessary to
14 incentivize receipt of the necessary documentation to complete an
15 audit;

16 (IV) Establish methods for reducing future payments or
17 establishing repayment plans in order to recover any overpayments;

18 (V) Sanction providers, including termination of eligibility, who
19 commit intentional program violations or fail to comply with program
20 requirements, including compliance with any established repayment
21 plans; and

22 (VI) Consider pursuit of prosecution in cases with fraudulent
23 activity; and

24 (C) A description of the process by which fraud is identified and
25 how fraud investigations are prioritized and expedited.

26 (iii) Beginning July 1, 2018, and annually thereafter, the
27 department, in collaboration with the department of social and health
28 services, must report to the governor and the appropriate fiscal and
29 policy committees of the legislature on the status of overpayments in
30 the working connections child care program. The report must include
31 the following information for the previous fiscal year:

32 (A) A summary of the number of overpayments that occurred;

33 (B) The reason for each overpayment;

34 (C) The total cost of overpayments;

35 (D) A comparison to overpayments that occurred in the past two
36 preceding fiscal years; and

37 (E) Any planned modifications to internal processes that will
38 take place in the coming fiscal year to further reduce the occurrence
39 of overpayments.

1 (e) Within available amounts, the department in consultation with
2 the office of financial management and the department of social and
3 health services shall report enrollments and active caseload for the
4 working connections child care program to the legislative fiscal
5 committees and the legislative-executive WorkFirst oversight task
6 force on an agreed upon schedule. The report shall also identify the
7 number of cases participating in both temporary assistance for needy
8 families and working connections child care. The department must also
9 report on the number of children served through contracted slots.

10 (f) \$1,560,000 of the general fund—state appropriation for fiscal
11 year 2019 and \$6,712,000 of the general fund—federal appropriation
12 are provided solely for the seasonal child care program. If federal
13 sequestration cuts are realized, cuts to the seasonal child care
14 program must be proportional to other federal reductions made within
15 the department.

16 (g) (~~(\$2,522,000)~~) \$5,065,000 of the general fund—state
17 appropriation for fiscal year 2019 is provided solely for the early
18 childhood intervention prevention services (ECLIPSE) program. The
19 department shall contract for ECLIPSE services to provide therapeutic
20 child care and other specialized treatment services to abused,
21 neglected, at-risk, and/or drug-affected children. Priority for
22 services shall be given to children referred from the department.

23 (h) \$45,359,000 of the general fund—state appropriation for
24 fiscal year 2019 and \$13,954,000 of the general fund—federal
25 appropriation are provided solely to maintain the requirements set
26 forth in chapter 7, Laws of 2015, 3rd sp. sess. The department shall
27 place a ten percent administrative overhead cap on any contract
28 entered into with the University of Washington. In its annual report
29 to the governor and the legislature, the department shall report the
30 total amount of funds spent on the quality rating and improvements
31 system and the total amount of funds spent on degree incentives,
32 scholarships, and tuition reimbursements. Of the amounts provided in
33 this subsection (h), \$577,000 of the general fund—state appropriation
34 for fiscal year 2019 is provided solely for a six percent base rate
35 increase for child care center providers.

36 (i) \$1,728,000 of the general fund—state appropriation for fiscal
37 year 2019 is provided solely for reducing barriers for low-income
38 providers to participate in the early achievers program.

1 (j) \$300,000 of the general fund—state appropriation for fiscal
2 year 2019 is provided solely for a contract with a nonprofit entity
3 experienced in the provision of promoting early literacy for children
4 through pediatric office visits.

5 (k) \$2,000,000 of the education legacy trust account—state
6 appropriation is provided solely for early intervention assessment
7 and services.

8 (l) \$3,445,000 of the general fund—federal appropriation for
9 fiscal year 2019 is provided solely for the department to procure a
10 time and attendance system and are subject to the conditions,
11 limitations, and review provided in section 724 of this act.

12 (m) Information technology projects or investments and proposed
13 projects or investments impacting time capture, payroll and payment
14 processes and systems, eligibility, case management and authorization
15 systems within the department are subject to technical oversight by
16 the office of the chief information officer. The department must
17 collaborate with the office of the chief information officer to
18 develop a strategic business and technology architecture plan for a
19 child care attendance and billing system that supports a statewide
20 architecture.

21 (n)(i)(A) The department is required to provide to the education
22 research and data center, housed at the office of financial
23 management, data on all state-funded early childhood programs. These
24 programs include the early support for infants and toddlers, early
25 childhood education and assistance program (ECEAP), and the working
26 connections and seasonal subsidized childcare programs including
27 license exempt facilities or family, friend, and neighbor care. The
28 data provided by the department to the education research data center
29 must include information on children who participate in these
30 programs, including their name and date of birth, and dates the child
31 received services at a particular facility.

32 (B) ECEAP early learning professionals must enter any new
33 qualifications into the department's professional development
34 registry starting in the 2015-16 school year, and every school year
35 thereafter. By October 2017, and every October thereafter, the
36 department must provide updated ECEAP early learning professional
37 data to the education research data center.

38 (C) The department must request federally funded head start
39 programs to voluntarily provide data to the department and the

1 education research data center that is equivalent to what is being
2 provided for state-funded programs.

3 (D) The education research and data center must provide an
4 updated report on early childhood program participation and K-12
5 outcomes to the house of representatives appropriations committee and
6 the senate ways and means committee using available data by March
7 2018 for the school year ending in 2017.

8 (ii) The department, in consultation with the department of
9 social and health services, must withhold payment for services to
10 early childhood programs that do not report on the name, date of
11 birth, and the dates a child received services at a particular
12 facility.

13 (o) The department shall work with state and local law
14 enforcement, federally recognized tribal governments, and tribal law
15 enforcement to develop a process for expediting fingerprinting and
16 data collection necessary to conduct background checks for tribal
17 early learning and child care providers.

18 (p) \$2,651,000 of the general fund—state appropriation for fiscal
19 year 2019 is provided solely for the 2017-2019 collective bargaining
20 agreement covering family child care providers as set forth in
21 section 940 of this act. Amounts provided in this subsection (p) are
22 contingent upon the enactment of Senate Bill No. 5969 (transparency
23 in public employee collective bargaining). If the bill is not enacted
24 by July 31, 2017, the amount provided in this subsection shall lapse.
25 Of the amounts provided in this subsection:

26 (i) \$273,000 is for a base rate increase;

27 (ii) \$55,000 is for increasing paid professional development days
28 from three days to five days;

29 (iii) \$1,708,000 is for the family child care providers 501(c)(3)
30 organization for the substitute pool, training and quality
31 improvement support services, and administration;

32 (iv) \$114,000 is for increasing licensing incentive payments; and

33 (v) \$500,000 is for needs based grants.

34 (q) \$175,000 of the general fund—state appropriation for fiscal
35 year 2019 is provided solely for the department to contract with a
36 nonprofit entity that provides quality improvement services to
37 participants in the early achievers program to implement a community-
38 based training module that supports licensed child care providers who
39 have been rated in early achievers and who are specifically
40 interested in serving children in the early childhood education and

1 assistance program. The module must be functionally translated into
2 Spanish and Somali. The module must prepare trainees to administer
3 all aspects of the early childhood education and assistance program
4 for eligible children in their licensed program and must be offered
5 to 105 child care providers to serve children eligible for the early
6 childhood education and assistance program by June 30, 2019.

7 (r) \$219,000 of the general fund—state appropriation for fiscal
8 year 2019 is provided solely for implementation of chapter 236, Laws
9 of 2017 (SHB 1445) (dual language in early learning & K-12).

10 (s) \$100,000 of the general fund—state appropriation for fiscal
11 year 2019 is provided solely for implementation of chapter 202, Laws
12 of 2017 (E2SHB 1713) (children's mental health).

13 (t) \$317,000 of the general fund—state appropriation for fiscal
14 year 2019 are provided solely for implementation of chapter 162, Laws
15 of 2017 (SSB 5357) (outdoor early learning programs).

16 (3) PROGRAM SUPPORT

17	General Fund—State Appropriation (FY 2019)	((\$50,448,000))
18		<u>\$55,448,000</u>
19	General Fund—Federal Appropriation.	\$15,928,000
20	TOTAL APPROPRIATION.	((\$66,376,000))
21		<u>\$71,376,000</u>

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

24 (a) The appropriations provided in this subsection are provided
25 solely for implementation of Engrossed Second Substitute House Bill
26 No. 1661 (child, youth, families department). If the bill is not
27 enacted by July 31, 2017, the amount provided in this subsection
28 shall lapse.

29 (b)(i) During the 2017-2019 fiscal biennium, the department must
30 revise its agreements and contracts with vendors to include a
31 provision to require that each vendor agrees to equality among its
32 workers by ensuring similarly employed individuals are compensated as
33 equals as follows:

34 (A) Employees are similarly employed if the individuals work for
35 the same employer, the performance of the job requires comparable
36 skill, effort, and responsibility, and the jobs are performed under
37 similar working conditions. Job titles alone are not determinative of
38 whether employees are similarly employed;

1 (B) Vendors may allow differentials in compensation for its
2 workers based in good faith on any of the following:

3 (I) A seniority system; a merit system; a system that measures
4 earnings by quantity or quality of production; a bona fide job-
5 related factor or factors; or a bona fide regional difference in
6 compensation levels.

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

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

14 (ii) The provision must allow for the termination of the contract
15 if the department or department of enterprise services determines
16 that the vendor is not in compliance with this agreement or contract
17 term.

18 (iii) The department must implement this provision with any new
19 contract and at the time of renewal of any existing contract.

20 (c) \$5,000,000 of the general fund—state appropriation for fiscal
21 year 2019 is provided solely to support the implementation of the
22 department of children, youth, and families. The department must
23 submit an expenditure plan to the office of financial management and
24 may expend implementation funds after the approval of the director of
25 the office of financial management.

(End of part)

PART III
NATURAL RESOURCES

Sec. 301. 2017 3rd sp.s. c 1 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund—State Appropriation (FY 2018)	(\$485,000)
	<u>\$468,000</u>
General Fund—State Appropriation (FY 2019)	(\$507,000)
	<u>\$495,000</u>
General Fund—Federal Appropriation	\$32,000
General Fund—Private/Local Appropriation	(\$960,000)
	<u>\$977,000</u>
<u>Pension Funding Stabilization Account—State</u>	
<u>Appropriation</u>	<u>\$46,000</u>
TOTAL APPROPRIATION	(\$1,984,000)
	<u>\$2,018,000</u>

Sec. 302. 2017 3rd sp.s. c 1 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund—State Appropriation (FY 2018)	(\$20,877,000)
	<u>\$19,566,000</u>
General Fund—State Appropriation (FY 2019)	(\$21,411,000)
	<u>\$20,327,000</u>
General Fund—Federal Appropriation	(\$106,575,000)
	<u>\$106,447,000</u>
General Fund—Private/Local Appropriation	(\$23,028,000)
	<u>\$23,003,000</u>
Reclamation Account—State Appropriation	(\$4,106,000)
	<u>\$4,100,000</u>
Flood Control Assistance Account—State Appropriation	(\$2,175,000)
	<u>\$2,172,000</u>
State Emergency Water Projects Revolving Account—State	
Appropriation	\$40,000
Waste Reduction/Recycling/Litter Control—State	
Appropriation	(\$13,736,000)
	<u>\$13,787,000</u>
State Drought Preparedness Account—State Appropriation	\$204,000

1	State and Local Improvements Revolving Account (Water	
2	Supply Facilities)—State Appropriation	\$164,000
3	Aquatic Algae Control Account—State Appropriation	\$522,000
4	Water Rights Tracking System Account—State Appropriation . .	\$47,000
5	Site Closure Account—State Appropriation	(\$582,000)
6		<u>\$581,000</u>
7	Wood Stove Education and Enforcement Account—State	
8	Appropriation	(\$560,000)
9		<u>\$559,000</u>
10	Worker and Community Right-to-Know Account—State	
11	Appropriation	(\$1,872,000)
12		<u>\$1,868,000</u>
13	Water Rights Processing Account—State Appropriation	\$39,000
14	State Toxics Control Account—State Appropriation . .	(\$147,806,000)
15		<u>\$148,955,000</u>
16	State Toxics Control Account—Private/Local	
17	Appropriation	\$499,000
18	Local Toxics Control Account—State Appropriation . . .	(\$4,845,000)
19		<u>\$4,863,000</u>
20	Water Quality Permit Account—State Appropriation . .	(\$44,119,000)
21		<u>\$44,396,000</u>
22	Underground Storage Tank Account—State Appropriation .	(\$3,635,000)
23		<u>\$3,661,000</u>
24	Biosolids Permit Account—State Appropriation	(\$2,207,000)
25		<u>\$2,202,000</u>
26	Environmental Legacy Stewardship Account—State	
27	Appropriation	(\$41,259,000)
28		<u>\$41,422,000</u>
29	Hazardous Waste Assistance Account—State	
30	Appropriation	(\$6,466,000)
31		<u>\$6,593,000</u>
32	Radioactive Mixed Waste Account—State Appropriation .	(\$18,170,000)
33		<u>\$18,427,000</u>
34	Air Pollution Control Account—State Appropriation . .	(\$3,437,000)
35		<u>\$3,460,000</u>
36	Oil Spill Prevention Account—State Appropriation . . .	(\$8,469,000)
37		<u>\$9,581,000</u>
38	Air Operating Permit Account—State Appropriation . . .	(\$3,787,000)
39		<u>\$3,816,000</u>

1	Freshwater Aquatic Weeds Account—State Appropriation	(\$1,460,000)
2		<u>\$1,459,000</u>
3	Oil Spill Response Account—State Appropriation	\$7,076,000
4	<u>Pension Funding Stabilization Account—State</u>	
5	<u>Appropriation.</u>	<u>\$2,924,000</u>
6	Water Pollution Control Revolving Administration	
7	Account—State Appropriation	(\$3,601,000)
8		<u>\$3,593,000</u>
9	TOTAL APPROPRIATION.	(\$492,774,000)
10		<u>\$496,353,000</u>

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

13 (1) \$170,000 of the oil spill prevention account—state
14 appropriation is provided solely for a contract with the University
15 of Washington's sea grant program to continue an educational program
16 targeted to small spills from commercial fishing vessels, ferries,
17 cruise ships, ports, and marinas.

18 ~~((+3))~~ (2) \$15,000,000 of the general fund—state appropriation
19 for fiscal year 2018 and \$15,000,000 of the general fund—state
20 appropriation for fiscal year 2019 are provided solely for activities
21 within the water resources program.

22 ~~((+4))~~ (3) \$228,000 of the general fund—state appropriation for
23 fiscal year 2018 and \$227,000 of the general fund—state appropriation
24 for fiscal year 2019 are provided solely for the department to grant
25 to the northwest straits commission to distribute equally among the
26 seven Puget Sound marine resource committees.

27 ~~((+5))~~ (4) Within existing resources, the department of ecology
28 must engage stakeholders in a revision of WSR 13-22-073, rule
29 amendments to chapter 173-350 WAC, to revise the proposed rule and
30 submit a report to the senate local government and energy,
31 environment, and telecommunications committees and the house of
32 representatives local government and environment committees by
33 September 1, 2017. The report must include a summary of areas of
34 consensus and dispute, proposed resolution of disputes, a list of
35 engaged stakeholders, a proposed timeline for potential rule
36 adoption, and the most recent draft of proposed amendment language,
37 if any.

38 (5) \$180,000 of the general fund—state appropriation for fiscal
39 year 2019, \$44,000 of the waste reduction, recycling and litter

1 control account—state appropriation, \$720,000 of the state toxics
 2 control account—state appropriation, \$17,000 of the local toxics
 3 control account—state appropriation, \$220,000 of the water quality
 4 permit account—state appropriation, \$23,000 of the underground
 5 storage tank account—state appropriation, \$132,000 of the
 6 environmental legacy stewardship account—state appropriation, \$39,000
 7 of the hazardous waste assistance account—state appropriation,
 8 \$86,000 of the radioactive mixed waste account—state appropriation,
 9 \$18,000 of the air pollution control account—state appropriation,
 10 \$41,000 of the oil spill prevention account—state appropriation, and
 11 \$23,000 of the air operating permit account—state appropriation are
 12 provided solely for modernizing and migrating the department of
 13 ecology's business applications from an agency-based data center to
 14 the state data center or a cloud environment.

15 **Sec. 303.** 2017 3rd sp.s. c 1 s 303 (uncodified) is amended to
 16 read as follows:

17 **FOR THE STATE PARKS AND RECREATION COMMISSION**

18	General Fund—State Appropriation (FY 2018)	. . . . .	((\$9,645,000))
19			<u>\$8,993,000</u>
20	General Fund—State Appropriation (FY 2019)	. . . . .	((\$9,945,000))
21			<u>\$9,216,000</u>
22	General Fund—Federal Appropriation	. . . . .	((\$6,981,000))
23			<u>\$6,976,000</u>
24	Winter Recreation Program Account—State Appropriation		((\$3,293,000))
25			<u>\$3,292,000</u>
26	ORV and Nonhighway Vehicle Account—State Appropriation		((\$232,000))
27			<u>\$392,000</u>
28	Snowmobile Account—State Appropriation	. . . . .	((\$5,633,000))
29			<u>\$5,631,000</u>
30	Aquatic Lands Enhancement Account—State Appropriation	. . .	\$367,000
31	(Outdoor Education and Recreation Account—State		
32	Appropriation.		\$1,500,000))
33	Recreation Access Pass Account—State Appropriation	. . . . .	\$50,000
34	Parks Renewal and Stewardship Account—State		
35	Appropriation	. . . . .	((\$124,759,000))
36			<u>\$125,294,000</u>
37	Parks Renewal and Stewardship Account—Private/Local		
38	Appropriation	. . . . .	((\$318,000))

Pension Funding Stabilization Account—State

Appropriation. \$1,498,000

TOTAL APPROPRIATION. ((\$162,723,000))

\$162,129,000

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

(1) \$129,000 of the general fund—state appropriation for fiscal year 2018 and \$129,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a grant for the operation of the Northwest weather and avalanche center.

(2) \$100,000 of the general fund—state appropriation for fiscal year 2018 and \$100,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the commission to pay assessments charged by local improvement districts.

(3) \$700,000 of the parks renewal and stewardship account—state appropriation is provided solely for the commission to replace 32 existing automated pay stations and to install 38 additional automated pay stations within state parks.

(4) \$500,000 (~~(of the outdoor education and recreation account—state appropriation)~~) is provided solely for the commission, when implementing the no child left inside program, to partner with organizations that have at least one veteran on staff (~~(in implementation of the no child left inside program)~~).

(5) \$50,000 of the recreation access pass account—state appropriation is provided solely for the commission, using its authority under RCW 79A.05.055(3) and in partnership with the department of fish and wildlife and the department of natural resources, to coordinate a process to develop options and recommendations to improve consistency, equity, and simplicity in recreational access fee systems while accounting for the fiscal health and stability of public land management. The process must be collaborative and include other relevant agencies and appropriate stakeholders. The commission must contract with the William D. Ruckelshaus Center or another neutral third party to facilitate meetings and discussions with parties involved in the process and provide a report to the appropriate committees of the legislature by December 1, 2017. The process must analyze and make recommendations on:

1 (a) Opportunities for federal and state recreational permit fee
2 coordination, including the potential for developing a system that
3 allows a single pass to provide access to federal and state lands;

4 (b) Opportunities to enhance consistency in the way state and
5 federal recreational access fees apply to various types of
6 recreational users, including those that travel to public lands by
7 motor vehicle, boat, bicycle, foot, or another method; and

8 (c) Opportunities to develop a comprehensive and consistent
9 statewide approach to recreational fee discounts and exemptions to
10 social and other groups including, but not limited to, disabled
11 persons, seniors, disabled veterans, foster families, low-income
12 residents, and volunteers. This analysis must examine the cost of
13 such a program, and should consider how recreational fee discounts
14 fit into the broader set of benefits provided by the state to these
15 social groups. This includes a review of the efficacy, purpose, and
16 cost of existing recreational fee discounts and exemptions, as well
17 as opportunities for new or modified social group discounts and
18 exemptions. The department of veterans affairs and the department of
19 social and health services must be included in this portion of the
20 process.

21 **Sec. 304.** 2017 3rd sp.s. c 1 s 304 (uncodified) is amended to
22 read as follows:

23 **FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

24	General Fund—State Appropriation (FY 2018)	((\$1,441,000))
25		<u>\$1,402,000</u>
26	General Fund—State Appropriation (FY 2019)	((\$1,398,000))
27		<u>\$1,361,000</u>
28	General Fund—Federal Appropriation	((\$3,646,000))
29		<u>\$3,640,000</u>
30	General Fund—Private/Local Appropriation	\$24,000
31	Aquatic Lands Enhancement Account—State Appropriation .	((\$495,000))
32		<u>\$494,000</u>
33	Firearms Range Account—State Appropriation	\$37,000
34	Recreation Resources Account—State Appropriation . . .	((\$3,615,000))
35		<u>\$3,616,000</u>
36	NOVA Program Account—State Appropriation	((\$1,054,000))
37		<u>\$1,052,000</u>
38	<u>Pension Funding Stabilization Account—State</u>	

1	<u>Appropriation.</u>	\$80,000
2	TOTAL APPROPRIATION.	((\$11,710,000))
3		<u>\$11,706,000</u>

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

6 (1) \$156,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$156,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for the board to grant to the
9 Nisqually River Foundation for implementation of the Nisqually
10 watershed stewardship plan.

11 (2) \$375,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$375,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for the salmon recovery funding
14 board to grant to the Hood Canal coordinating council for the sole
15 purpose of conducting an ecosystem impact assessment on the Hood
16 Canal. The assessment is to study any causal relationship between the
17 Hood Canal bridge and migrating steelhead and salmon.

18 **Sec. 305.** 2017 3rd sp.s. c 1 s 305 (uncodified) is amended to
19 read as follows:

20 **FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE**

21	General Fund—State Appropriation (FY 2018)	((\$2,318,000))
22		<u>\$2,189,000</u>
23	General Fund—State Appropriation (FY 2019)	((\$2,375,000))
24		<u>\$2,246,000</u>
25	<u>Pension Funding Stabilization Account—State</u>	
26	<u>Appropriation.</u>	\$255,000
27	TOTAL APPROPRIATION.	((\$4,693,000))
28		<u>\$4,690,000</u>

29 **Sec. 306.** 2017 3rd sp.s. c 1 s 306 (uncodified) is amended to
30 read as follows:

31 **FOR THE CONSERVATION COMMISSION**

32	General Fund—State Appropriation (FY 2018)	((\$7,301,000))
33		<u>\$7,174,000</u>
34	General Fund—State Appropriation (FY 2019)	((\$7,264,000))
35		<u>\$7,130,000</u>
36	General Fund—Federal Appropriation	\$2,301,000
37	Public Works Assistance Account—State Appropriation. .	((\$7,620,000))

1		<u>\$7,619,000</u>
2	State Toxics Control Account—State Appropriation	\$1,000,000
3	<u>Pension Funding Stabilization Account—State</u>	
4	<u>Appropriation.</u>	<u>\$254,000</u>
5	TOTAL APPROPRIATION.	((\$25,486,000))
6		<u>\$25,478,000</u>

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

9 (1) \$7,602,000 of the public works assistance account—state
10 appropriation is provided solely for implementation of the voluntary
11 stewardship program. This amount may not be used to fund agency
12 indirect and administrative expenses.

13 (2)(a) \$50,000 of the general fund—state appropriation for fiscal
14 year 2018 is provided solely for the commission to convene and
15 facilitate a food policy forum. The director of the commission is
16 responsible for appointing participating members of the food policy
17 forum in consultation with the director of the department of
18 agriculture. In making appointments, the director of the commission
19 must attempt to ensure a diversity of knowledge, experience, and
20 perspectives by building on the representation established by the
21 food system roundtable initiated by executive order No. 10-02.

22 (b) In addition to members appointed by the director of the state
23 conservation commission, four legislators may serve on the food
24 policy forum in an ex officio capacity. Legislative participants must
25 be appointed as follows:

26 (i) The speaker of the house of representatives shall appoint one
27 member from each of the two largest caucuses of the house of
28 representatives; and

29 (ii) The president of the senate shall appoint one member from
30 each of the two largest caucuses of the senate.

31 (c) The commission shall coordinate with the office of farmland
32 preservation and the department of agriculture to avoid duplication
33 of effort. The commission must report to the appropriate committees
34 of the legislature, consistent with RCW 43.01.036, with the forum's
35 recommendations by October 31, 2018.

36 (3) \$375,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$375,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for grants and technical
39 assistance. Of the amounts provided in this subsection, \$125,000 in

1 each fiscal year is provided solely for activities related to water
2 quality improvements and fecal coliform DNA speciation statewide.

3 **Sec. 307.** 2017 3rd sp.s. c 1 s 307 (uncodified) is amended to
4 read as follows:

5 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

6	General Fund—State Appropriation (FY 2018)	((\$46,860,000))
7		<u>\$46,334,000</u>
8	General Fund—State Appropriation (FY 2019)	((\$46,483,000))
9		<u>\$49,156,000</u>
10	General Fund—Federal Appropriation	((\$118,809,000))
11		<u>\$130,389,000</u>
12	General Fund—Private/Local Appropriation	((\$63,920,000))
13		<u>\$63,932,000</u>
14	ORV and Nonhighway Vehicle Account—State Appropriation .	((\$437,000))
15		<u>\$699,000</u>
16	Aquatic Lands Enhancement Account—State	
17	Appropriation	((\$10,460,000))
18		<u>\$10,415,000</u>
19	Recreational Fisheries Enhancement—State	
20	Appropriation	((\$3,084,000))
21		<u>\$3,116,000</u>
22	Warm Water Game Fish Account—State Appropriation . . .	((\$2,773,000))
23		<u>\$2,658,000</u>
24	Eastern Washington Pheasant Enhancement Account—State	
25	Appropriation	\$675,000
26	State Wildlife Account—State Appropriation	((\$118,033,000))
27		<u>\$117,818,000</u>
28	Special Wildlife Account—State Appropriation	((\$71,000))
29		<u>\$3,234,000</u>
30	Special Wildlife Account—Federal Appropriation	((\$505,000))
31		<u>\$504,000</u>
32	Special Wildlife Account—Private/Local Appropriation .	((\$3,576,000))
33		<u>\$3,572,000</u>
34	Wildlife Rehabilitation Account—State Appropriation	\$361,000
35	Ballast Water Management Account—State Appropriation. . . .	\$10,000
36	Hydraulic Project Approval Account—State Appropriation .	((\$690,000))
37		<u>\$30,000</u>
38	Environmental Legacy Stewardship Account—State	

1	Appropriation	((\$2,765,000))
2		<u>\$2,762,000</u>
3	Regional Fisheries Enhancement Salmonid Recovery Account—	
4	Federal Appropriation	\$5,001,000
5	Oil Spill Prevention Account—State Appropriation	((\$1,122,000))
6		<u>\$1,119,000</u>
7	Oyster Reserve Land Account—State Appropriation	\$527,000
8	Performance Audits of Government Account—State	
9	Appropriation.	\$325,000
10	Aquatic Invasive Species Management Account—State	
11	Appropriation.	((\$1,658,000))
12		<u>\$1,656,000</u>
13	<u>Pension Funding Stabilization Account—State</u>	
14	<u>Appropriation.</u>	<u>\$5,178,000</u>
15	TOTAL APPROPRIATION.	((\$428,145,000))
16		<u>\$449,471,000</u>

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

19 (1) ((~~\$467,000~~)) \$67,000 of the general fund—state appropriation
20 for fiscal year 2018 and \$467,000 of the general fund—state
21 appropriation for fiscal year 2019 are provided solely to pay for
22 emergency fire suppression costs. These amounts may not be used to
23 fund agency indirect and administrative expenses.

24 (2) \$1,098,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$1,098,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for payments in lieu of real
27 property taxes to counties that elect to receive the payments for
28 department-owned game lands within the county.

29 (3) \$415,000 of the general fund—state appropriation for fiscal
30 year 2018, \$415,000 of the general fund—state appropriation for
31 fiscal year 2019, and \$440,000 of the general fund—federal
32 appropriation are provided solely for county assessments.

33 (4) Prior to submitting its 2019-2021 biennial operating and
34 capital budget requests related to state fish hatcheries to the
35 office of financial management, the department shall contract with
36 the hatchery scientific review group (HSRG) to review the proposed
37 requests. This review shall: (a) Determine if the proposed requests
38 are consistent with HSRG recommendations; (b) prioritize the
39 components of the requests based on their contributions to protecting

1 wild salmonid stocks and meeting the recommendations of the HSRG; and
2 (c) evaluate whether the proposed requests are being made in the most
3 cost-effective manner. The department shall provide a copy of the
4 HSRG review to the office of financial management with its agency
5 budget proposal.

6 (5) \$400,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$400,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for a state match to support the
9 Puget Sound nearshore partnership between the department and the
10 United States army corps of engineers. Prior to implementation of any
11 Puget Sound nearshore ecosystem restoration projects in Whatcom
12 county, the department must consult with and seek, to the maximum
13 extent practicable, consensus on those projects among appropriate
14 landowners, federally recognized Indian tribes, agencies, and
15 community and interest groups.

16 (6) Within the amounts appropriated in this section, the
17 department shall identify additional opportunities for partnerships
18 in order to keep fish hatcheries operational. Such partnerships shall
19 aim to maintain fish production and salmon recovery with less
20 reliance on state operating funds.

21 (7) \$525,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$425,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for training for a work unit to
24 engage and empower diverse stakeholders in decisions about fish and
25 wildlife, and the continued conflict transformation with the wolf
26 advisory group. The department shall cooperate with the department of
27 agriculture to shift the responsibility of implementing cost-sharing
28 contracts with livestock producers to use nonlethal actions to
29 minimize livestock loss from wolves and other carnivores to the
30 department of agriculture.

31 (8) \$1,259,000 of the state wildlife account—state appropriation
32 is provided solely for the fish program, including implementation of
33 Substitute House Bill No. 1597 (commercial fishing). If the bill is
34 not enacted by July 31, 2017, the amount provided in this subsection
35 shall lapse.

36 (9) \$1,630,000 of the aquatic invasive species management
37 account, \$600,000 of the general fund—federal appropriation, \$62,000
38 of the state wildlife account—state appropriation, and \$10,000 of the
39 ballast water management account—state appropriation are provided

1 solely for activities related to aquatic invasive species, including
2 implementation of Substitute House Bill No. 1429 or Substitute Senate
3 Bill No. 5303 (aquatic invasive species). If neither bill is enacted
4 by July 31, 2017, the amounts provided in this subsection shall
5 lapse.

6 (10) Within amounts provided in this section, the department must
7 consult with affected tribes and landowners in Skagit county to
8 develop and implement a plan designed to address elk-related
9 agricultural damage and vehicular collisions by using all available
10 and appropriate methods including, but not limited to, cooperative
11 fencing projects and harvest in order to minimize elk numbers on
12 private lands and maximize the number of elk located on state and
13 federal lands. The plan must be implemented by September 1, 2018.

14 (11) Within the appropriations of this section, the department
15 shall initiate outreach with recreational fishing stakeholders so
16 that recreational fishing guide and non-guided angler data can be
17 collected and analyzed to evaluate changes in the structure of guide
18 licensing, with the objectives of: (a) Improving the fishing
19 experience and ensuring equitable opportunity for both guided and
20 non-guided river anglers, (b) managing fishing pressure to protect
21 wild steelhead and other species; and (c) ensuring that recreational
22 fish guiding remains a sustainable economic contributor to rural
23 economies. The department shall convene public meetings in the North
24 Olympic Peninsula and Klickitat River areas, and may include other
25 areas of the state, and shall provide the appropriate standing
26 committees of the legislature a summary of its findings, by December
27 31, 2017.

28 (12) \$450,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$450,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for the department to grant to
31 the regional fisheries enhancement groups.

32 (13)(a) \$5,500,000 of the general fund—state appropriation for
33 fiscal year 2018, \$5,500,000 of the general fund—state appropriation
34 for fiscal year 2019, and \$325,000 of the performance audits of
35 government account—state appropriation are provided solely as one-
36 time funding to support the department in response to its budget
37 shortfall. In order to address this shortfall on a long-term basis,
38 the department must develop a plan for balancing projected revenue

1 and expenditures and improving the efficiency and effectiveness of
2 agency operations, including:

3 (i) Expenditure reduction options that maximize administrative
4 and organizational efficiencies and savings, while avoiding hatchery
5 closures and minimizing impacts to fisheries and hunting
6 opportunities; and

7 (ii) Additional revenue options and an associated outreach plan
8 designed to ensure that the public, stakeholders, the commission, and
9 legislators have the opportunity to understand and impact the design
10 of the revenue options.

11 (iii) The range of options created under (a)(i) and (ii) of this
12 subsection must be prioritized by impact on achieving financial
13 stability, impact on the public and fisheries and hunting
14 opportunities, and on timeliness and ability to achieve intended
15 outcomes.

16 (b) In consultation with the office of financial management, the
17 department must consult with an outside management consultant to
18 evaluate and implement efficiencies to the agency's operations and
19 management practices. Specific areas of evaluation must include:

20 (i) Potential inconsistencies and increased costs associated with
21 the decentralized nature of organizational authority and operations;

22 (ii) The department's budgeting and accounting processes,
23 including work done at the central, program, and region levels, with
24 specific focus on efficiencies to be gained by centralized budget
25 control;

26 (iii) Executive management, program management, and regional
27 management structures, specifically addressing accountability.

28 (c) In carrying out these planning requirements, the department
29 must provide quarterly updates to the commission, office of financial
30 management, and appropriate legislative committees. The department
31 must provide a final summary of its process and plan by May 1, 2018.

32 (d) The department, in cooperation with the office of financial
33 management shall conduct a zero-based budget review of its operating
34 budget and activities to be submitted with the department's 2019-2021
35 biennial budget submittal. Information and analysis submitted by the
36 department for the zero-based review under this subsection shall
37 include:

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

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

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

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

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

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

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

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

18 (14) \$199,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$1,177,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for the department to replace
21 its enforcement program records management and dispatch systems.

22 (15) \$528,000 of the general fund—state appropriation for fiscal
23 year 2018, \$511,000 of the general fund—state appropriation for
24 fiscal year 2019, and \$103,000 of the state wildlife account—state
25 appropriation are provided solely for the department to modernize its
26 network infrastructure in the 2017-2019 biennium in preparation to
27 migrate the department's business applications from an agency-based
28 data center to the state data center or a cloud-based environment in
29 the 2019-2021 biennium.

30 **Sec. 308.** 2017 3rd sp.s. c 1 s 308 (uncodified) is amended to
31 read as follows:

32 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

33	General Fund—State Appropriation (FY 2018)	. . . . .	((\$48,463,000))
34			<u>\$89,251,000</u>
35	General Fund—State Appropriation (FY 2019)	. . . . .	((\$48,264,000))
36			<u>\$49,609,000</u>
37	General Fund—Federal Appropriation	. . . . .	((\$27,329,000))
38			<u>\$34,100,000</u>

1	General Fund—Private/Local Appropriation	((\$2,372,000))
2		<u>\$2,930,000</u>
3	Forest Development Account—State Appropriation	((\$56,643,000))
4		<u>\$50,112,000</u>
5	ORV and Nonhighway Vehicle Account—State	
6	Appropriation	((\$8,449,000))
7		<u>\$7,078,000</u>
8	Surveys and Maps Account—State Appropriation	((\$3,462,000))
9		<u>\$2,288,000</u>
10	Aquatic Lands Enhancement Account—State	
11	Appropriation	((\$13,262,000))
12		<u>\$16,152,000</u>
13	Resources Management Cost Account—State	
14	Appropriation	((\$121,559,000))
15		<u>\$121,493,000</u>
16	Surface Mining Reclamation Account—State	
17	Appropriation	((\$4,130,000))
18		<u>\$4,129,000</u>
19	Disaster Response Account—State Appropriation.	\$23,076,000
20	Forest and Fish Support Account—State Appropriation.	((\$12,790,000))
21		<u>\$12,789,000</u>
22	Aquatic Land Dredged Material Disposal Site Account—State	
23	Appropriation.	\$400,000
24	Natural Resources Conservation Areas Stewardship Account—State	
25	Appropriation	((\$34,000))
26		<u>\$232,000</u>
27	State Toxics Control Account—State Appropriation.	((\$10,705,000))
28		<u>\$10,717,000</u>
29	Forest Practices Application Account—State	
30	Appropriation	((\$2,158,000))
31		<u>\$1,897,000</u>
32	Air Pollution Control Account—State Appropriation	((\$872,000))
33		<u>\$870,000</u>
34	NOVA Program Account—State Appropriation	((\$734,000))
35		<u>\$733,000</u>
36	Derelict Vessel Removal Account—State Appropriation.	((\$1,946,000))
37		<u>\$1,945,000</u>
38	Community Forest Trust Account—State Appropriation.	\$52,000
39	Agricultural College Trust Management Account—State	

1	Appropriation	((\$3,056,000))
2		<u>\$3,052,000</u>
3	<u>Pension Funding Stabilization Account—State</u>	
4	<u>Appropriation.</u>	<u>\$3,239,000</u>
5	TOTAL APPROPRIATION.	((\$389,756,000))
6		<u>\$436,144,000</u>

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

9 (1) \$1,420,000 of the general fund—state appropriation for fiscal
10 year 2018 and ((~~\$1,352,000~~)) \$1,636,000 of the general fund—state
11 appropriation for fiscal year 2019 are provided solely for deposit
12 into the agricultural college trust management account and are
13 provided solely to manage approximately 70,700 acres of Washington
14 State University's agricultural college trust lands.

15 (2) ((~~\$16,546,000~~)) \$42,478,000 of the general fund—state
16 appropriation for fiscal year 2018, \$16,546,000 of the general fund—
17 state appropriation for fiscal year 2019, and \$16,050,000 of the
18 disaster response account—state appropriation are provided solely for
19 emergency fire suppression. The general fund—state appropriations
20 provided in this subsection may not be used to fund the department's
21 indirect and administrative expenses. The department's indirect and
22 administrative costs shall be allocated among its remaining accounts
23 and appropriations.

24 (3) \$5,000,000 of the forest and fish support account—state
25 appropriation is provided solely for outcome-based performance
26 contracts with tribes to participate in the implementation of the
27 forest practices program. Contracts awarded may only contain indirect
28 costs set at or below the rate in the contracting tribe's indirect
29 cost agreement with the federal government. If federal funding for
30 this purpose is reinstated, the amount provided in this subsection
31 shall lapse.

32 (4) \$1,640,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$1,640,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for the department to carry out
35 the forest practices adaptive management program pursuant to RCW
36 76.09.370 and the May 24, 2012, settlement agreement entered into by
37 the department and the department of ecology. Scientific research
38 must be carried out according to the master project schedule and work
39 plan of cooperative monitoring, evaluation, and research priorities

1 adopted by the forest practices board. The forest practices board
2 shall submit a report to the legislature following review, approval,
3 and solicitation of public comment on the cooperative monitoring,
4 evaluation, and research master project schedule, to include:
5 Cooperative monitoring, evaluation, and research science and related
6 adaptive management expenditure details, accomplishments, the use of
7 cooperative monitoring, evaluation, and research science in decision-
8 making, and funding needs for the coming biennium. For new or amended
9 forest practices rules adopted or new or amended board manual
10 provisions approved under chapter 76.09 RCW, the forest practices
11 board shall also report on its evaluation of the scientific basis for
12 the rule or board manual provisions including a technical assessment
13 of the value-added benefits for aquatic resources and the
14 corresponding economic impact to the regulated community from the
15 rule or board manual. The report shall be provided to the appropriate
16 committees of the legislature by November 1, 2018.

17 (5) \$147,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$147,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for chapter 280, Laws of 2017
20 (ESHB 2010) (homelessness/wildfire areas), including local capacity
21 for wildfire suppression in any county located east of the crest of
22 the Cascade mountain range that shares a common border with Canada
23 and has a population of one hundred thousand or fewer. The funding
24 provided in this subsection must be provided to these counties for
25 radio communication equipment, or to fire protection service
26 providers within these counties for residential wildfire risk
27 reduction activities, including education and outreach, technical
28 assistance, fuel mitigation, and other residential risk reduction
29 measures. For the purposes of this subsection, fire protection
30 service providers include fire departments, fire districts, emergency
31 management services, and regional fire protection service
32 authorities. The department must prioritize funding to counties
33 authorized in this subsection, and fire protection service providers
34 within those counties that serve a disproportionately higher
35 percentage of low-income residents as defined in RCW 84.36.042, that
36 are located in areas of higher wildfire risk, and whose fire
37 protection service providers have a shortage of reliable equipment
38 and resources. Of the amount provided in this subsection, \$7,000 per
39 fiscal year is provided for department administration costs.

1 (6) Sufficient funding is provided in this section and the
2 capital appropriations act to implement chapter 248, Laws of 2017
3 (E2SHB 1711) (forest health treatments).

4 (7) \$211,000 of the general fund—state appropriation for fiscal
5 year 2018 is provided solely for implementation of chapter 319, Laws
6 of 2017 (ESSB 5198) (fire retardant use). The department shall study
7 and report on the types and efficacy of fire retardants used in fire
8 suppression activities, their potential impact on human health and
9 natural resources, and make recommendations to the legislature by
10 December 31, 2017.

11 (8) \$505,000 of the general fund—state appropriation for fiscal
12 year 2018 and \$486,000 of the general fund—state appropriation for
13 fiscal year 2019 are provided solely for implementation of chapter
14 95, Laws of 2017 (2SSB 5546) (forest health treatment assessment).
15 The department shall establish a forest health assessment and
16 treatment framework that consists of biennial forest health
17 assessments, treatments, and progress review and reporting.

18 (9) \$150,000 of the aquatic lands enhancement account—state
19 appropriation is provided solely for continued facilitation and
20 support services for the marine resources advisory council.

21 (10) \$250,000 of the aquatic lands enhancement account—state
22 appropriation is provided solely for implementation of the state
23 marine management plan and ongoing costs of the Washington coastal
24 marine advisory council to serve as a forum and provide
25 recommendations on coastal management issues.

26 (11) \$406,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$350,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for Teanaway community forest
29 operations management costs, such as management plan oversight and
30 forest health.

31 (12) \$150,000 of the state toxics control account—state
32 appropriation is provided solely for the department to meet its
33 obligations as a potentially liable party under the Washington model
34 toxics control act at Whitmarsh landfill and the east waterway site.

35 (13) \$25,000 of the general fund—state appropriation for fiscal
36 year 2018 is provided solely for conducting an aerial survey of the
37 Washington coast forests to monitor the occurrence and spread of
38 Swiss needle cast disease.

1 (14) \$25,000 of the general fund—state appropriation for fiscal
2 year 2018 is provided solely for the department to grant to the
3 University of Washington, Olympic natural resources center to develop
4 a plan to mitigate the effects of Swiss needle cast disease on
5 douglas fir tree species.

6 (15) Within existing resources, the department, in collaboration
7 with the emergency management division of the military department,
8 must develop agreements with other state agencies to recruit state
9 employees to voluntarily participate in the wildfire suppression
10 program. Other agency staff are eligible to receive training, fire
11 gear, and any other necessary items to be ready for deployment to
12 fight wildfires when called. The department shall cover agency staff
13 costs directly or through reimbursement and must submit a request for
14 an appropriation in the next legislative session to fulfill this
15 requirement. The department must provide a report detailing the
16 opportunities, challenges, and recommendations for increasing state
17 employee voluntary participation in the wildfire suppression program
18 to the appropriate committees of the legislature by December 1, 2017.

19 (16) \$27,000 of the general fund—state appropriation for fiscal
20 year 2019, \$23,000 of the forest development account—state
21 appropriation, and \$50,000 of the resources management cost account—
22 state appropriation are provided solely for the department to
23 contract with a consultant to develop a plan, in consultation with
24 the office of financial management, and cost estimate to modernize
25 and migrate the department's business applications from an agency-
26 based data center to the state data center or a cloud-based
27 environment.

28 (17) \$396,000 of the general fund—state appropriation for fiscal
29 year 2019 is provided solely for the department to develop wildfire,
30 forest health, and firefighting resources data collection systems.
31 The agency must consult with the office of the chief information
32 officer and comply with applicable project assessment, approval, and
33 oversight requirements.

34 **Sec. 309.** 2017 3rd sp.s. c 1 s 309 (uncodified) is amended to
35 read as follows:

36 **FOR THE DEPARTMENT OF AGRICULTURE**

37 General Fund—State Appropriation (FY 2018) ((\$17,281,000))
38 \$16,890,000

1	General Fund—State Appropriation (FY 2019)	(((\$17,525,000)))
2		<u>\$17,117,000</u>
3	General Fund—Federal Appropriation	(((\$31,424,000)))
4		<u>\$32,152,000</u>
5	General Fund—Private/Local Appropriation	\$193,000
6	Aquatic Lands Enhancement Account—State Appropriation	(((\$2,565,000)))
7		<u>\$2,566,000</u>
8	State Toxics Control Account—State Appropriation	\$5,534,000
9	Water Quality Permit Account—State Appropriation	\$73,000
10	<u>Pension Funding Stabilization Account—State</u>	
11	<u>Appropriation.</u>	<u>\$1,041,000</u>
12	TOTAL APPROPRIATION.	(((\$74,595,000)))
13		<u>\$75,566,000</u>

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

16 (1) \$6,108,445 of the general fund—state appropriation for fiscal
17 year 2018 and \$6,102,905 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for implementing the food
19 assistance program as defined in RCW 43.23.290.

20 (2) Within amounts appropriated in this section, the department
21 shall provide to the department of health, where available, the
22 following data for all nutrition assistance programs that are funded
23 by the United States department of agriculture and administered by
24 the department. The department must provide the report for the
25 preceding federal fiscal year by February 1, 2018, and February 1,
26 2019. The report must provide:

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

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

31 (c) The average annual participation rate in the program;

32 (d) Participation rates by geographic distribution; and

33 (e) The annual federal funding of the program in Washington.

34 (3) \$132,000 of the general fund—state appropriation for fiscal
35 year 2019 is provided solely for the department to fund an
36 aquaculture coordinator. The aquaculture coordinator will work with
37 shellfish growers and federal, state, and local governments to
38 improve the efficiency and effectiveness of shellfish farm

1 permitting. Many of those improvements will come directly from the
2 shellfish interagency permitting team recommendations.

3 **Sec. 310.** 2017 3rd sp.s. c 1 s 310 (uncodified) is amended to
4 read as follows:

5 **FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM**

6	Underground Storage Tank Revolving Account—State	
7	Appropriation	((\$10,000))
8		<u>\$90,000</u>
9	Pollution Liability Insurance Program Trust Account—State	
10	Appropriation	((\$1,338,000))
11		<u>\$1,339,000</u>
12	TOTAL APPROPRIATION.	((\$1,348,000))
13		<u>\$1,429,000</u>

14 **Sec. 311.** 2017 3rd sp.s. c 1 s 311 (uncodified) is amended to
15 read as follows:

16 **FOR THE PUGET SOUND PARTNERSHIP**

17	General Fund—State Appropriation (FY 2018)	((\$2,922,000))
18		<u>\$2,781,000</u>
19	General Fund—State Appropriation (FY 2019)	((\$2,668,000))
20		<u>\$2,533,000</u>
21	General Fund—Federal Appropriation	((\$8,102,000))
22		<u>\$10,335,000</u>
23	Aquatic Lands Enhancement Account—State	
24	Appropriation.	((\$1,420,000))
25		<u>\$1,419,000</u>
26	State Toxics Control Account—State Appropriation	\$721,000
27	<u>Pension Funding Stabilization Account—State</u>	
28	<u>Appropriation.</u>	<u>\$277,000</u>
29	TOTAL APPROPRIATION.	((\$15,833,000))
30		<u>\$18,066,000</u>

31 The appropriations in this section are subject to the following
32 conditions and limitations: By October 15, 2018, the Puget Sound
33 partnership shall provide the governor a single, prioritized list of
34 state agency 2019-2021 capital and operating budget requests related
35 to Puget Sound restoration.

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2017 3rd sp.s. c 1 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund—State Appropriation (FY 2018)	(((\$1,460,000)))
	<u>\$1,657,000</u>
General Fund—State Appropriation (FY 2019)	(((\$1,530,000)))
	<u>\$1,423,000</u>
Architects' License Account—State Appropriation	(((\$995,000)))
	<u>\$1,203,000</u>
Professional Engineers' Account—State Appropriation	(((\$3,922,000)))
	<u>\$3,926,000</u>
Real Estate Commission Account—State Appropriation	(((\$11,045,000)))
	<u>\$11,558,000</u>
Uniform Commercial Code Account—State Appropriation	(((\$3,448,000)))
	<u>\$3,470,000</u>
Real Estate Education Program Account—State Appropriation	\$276,000
Real Estate Appraiser Commission Account—State Appropriation	(((\$1,870,000)))
	<u>\$1,871,000</u>
Business and Professions Account—State Appropriation	(((\$19,302,000)))
	<u>\$21,997,000</u>
Real Estate Research Account—State Appropriation	\$415,000
<u>Landscape Architects' License Account—State</u>	<u>\$4,000</u>
Geologists' Account—State Appropriation	\$53,000
Derelict Vessel Removal Account—State Appropriation	\$33,000
CPL Renewal Notification Account—State Appropriation	\$183,000
Firearms Range Account—State Appropriation	\$75,000
<u>Pension Funding Stabilization Account—State Appropriation</u>	<u>\$95,000</u>
TOTAL APPROPRIATION	(((\$44,607,000)))
	<u>\$48,239,000</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 **Sec. 402.** 2017 3rd sp.s. c 1 s 402 (uncodified) is amended to
14 read as follows:

15 **FOR THE STATE PATROL**

16	General Fund—State Appropriation (FY 2018)	((\$44,994,000))
17		<u>\$44,036,000</u>
18	General Fund—State Appropriation (FY 2019)	((\$45,986,000))
19		<u>\$46,792,000</u>
20	General Fund—Federal Appropriation	((\$16,260,000))
21		<u>\$16,251,000</u>
22	General Fund—Private/Local Appropriation	\$3,085,000
23	Death Investigations Account—State Appropriation . . .	((\$7,087,000))
24		<u>\$7,171,000</u>
25	County Criminal Justice Assistance Account—State	
26	Appropriation	((\$3,755,000))
27		<u>\$3,750,000</u>
28	Municipal Criminal Justice Assistance Account—State	
29	Appropriation	((\$1,521,000))
30		<u>\$1,519,000</u>
31	Fire Service Trust Account—State Appropriation	\$131,000
32	Vehicle License Fraud Account—State Appropriation . . .	((\$110,000))
33		<u>\$109,000</u>
34	Disaster Response Account—State Appropriation	((\$8,000,000))
35		<u>\$18,950,000</u>
36	Fire Service Training Account—State Appropriation . .	((\$11,126,000))
37		<u>\$11,116,000</u>
38	Aquatic Invasive Species Management Account—State	

1	Appropriation	\$54,000
2	<u>Pension Funding Stabilization Account—State</u>	
3	<u>Appropriation.</u>	\$3,295,000
4	State Toxics Control Account—State Appropriation	((\$549,000))
5		<u>\$548,000</u>
6	Fingerprint Identification Account—State	
7	Appropriation	((\$15,768,000))
8		<u>\$15,738,000</u>
9	TOTAL APPROPRIATION.	((\$158,426,000))
10		<u>\$172,545,000</u>

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

13 (1) \$270,000 of the fire service training account—state
14 appropriation is provided solely for two FTEs in the office of the
15 state director of fire protection to exclusively review K-12
16 construction documents for fire and life safety in accordance with
17 the state building code. It is the intent of this appropriation to
18 provide these services only to those districts that are located in
19 counties without qualified review capabilities.

20 (2) ((~~\$8,000,000~~)) \$18,950,000 of the disaster response account—
21 state appropriation is provided solely for Washington state fire
22 service resource mobilization costs incurred in response to an
23 emergency or disaster authorized under RCW 43.43.960 through
24 43.43.964. The state patrol shall submit a report quarterly to the
25 office of financial management and the legislative fiscal committees
26 detailing information on current and planned expenditures from this
27 account. This work shall be done in coordination with the military
28 department.

29 (3) \$700,000 of the fire service training account—state
30 appropriation is provided solely for the firefighter apprenticeship
31 training program.

32 (4) \$41,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$41,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for implementation of chapter
35 272, Laws of 2017 (E2SHB 1163) (domestic violence).

36 (5) \$125,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$116,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for implementation of chapter
39 261, Laws of 2017 (SHB 1501) (attempts to obtain firearms).

1 (6) \$104,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$90,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for implementation of chapter
4 308, Laws of 2017 (SHB 1863) (fire incident reporting system).

5 (7) \$3,421,000 of the fingerprint identification account—state
6 appropriation is provided solely for the completion of the state
7 patrol's plan to upgrade the criminal history system, and is subject
8 to the conditions, limitations, and review provided in section 724 of
9 this act.

10 (8) \$1,039,000 of the fingerprint identification account—state
11 appropriation is provided solely for the implementation of a sexual
12 assault kit tracking database project and is subject to the
13 conditions, limitations, and review provided in section 724 of this
14 act.

15 (9) \$495,000 of the general fund—state appropriation for fiscal
16 year 2019 is provided solely for the costs related to the 1995 king
17 air maintenance. By June 30, 2019, the state patrol is directed to
18 sell the 1983 king air and proceeds generated from the sale of the
19 1983 king air must be deposited into the general fund—state account.

(End of part)

PART V
EDUCATION

Sec. 501. 2017 3rd sp.s. c 1 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund—State Appropriation (FY 2018)	(\$49,844,000)
	<u>\$49,117,000</u>
General Fund—State Appropriation (FY 2019)	(\$47,888,000)
	<u>\$59,657,000</u>
General Fund—Federal Appropriation	(\$68,460,000)
	<u>\$83,940,000</u>
General Fund—Private/Local Appropriation	(\$8,051,000)
	<u>\$8,099,000</u>
Washington Opportunity Pathways Account—State Appropriation	\$584,000
Dedicated Marijuana Account—State Appropriation (FY 2018)	\$513,000
Dedicated Marijuana Account—State Appropriation (FY 2019)	(\$516,000)
	<u>\$515,000</u>
<u>Pension Funding Stabilization Account—State Appropriation</u>	<u>\$2,126,000</u>
Performance Audits of Government Account—State Appropriation	\$211,000
TOTAL APPROPRIATION.	(\$176,067,000)
	<u>\$204,762,000</u>

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

(1) (~~\$10,437,000~~) \$9,679,000 of the general fund—state appropriation for fiscal year 2018 and (~~\$11,112,000~~) \$13,779,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(a) The superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

1 (b) Districts shall report to the office of the superintendent of
2 public instruction daily student unexcused absence data by school,
3 using a uniform definition of unexcused absence as established by the
4 superintendent.

5 (c) By September of each year, the office of the superintendent
6 of public instruction shall produce an annual status report on
7 implementation of the budget provisos in sections 501 and 513 of this
8 act. The status report of each proviso shall include, but not be
9 limited to, the following information: Purpose and objective, number
10 of state staff funded by the proviso, number of contractors, status
11 of proviso implementation, number of beneficiaries by year, list of
12 beneficiaries, a comparison of budgeted funding and actual
13 expenditures, other sources and amounts of funding, and proviso
14 outcomes and achievements.

15 (d) The superintendent of public instruction, in consultation
16 with the secretary of state, shall update the program prepared and
17 distributed under RCW 28A.230.150 for the observation of temperance
18 and good citizenship day to include providing an opportunity for
19 eligible students to register to vote at school.

20 (e) Districts shall annually report to the office of the
21 superintendent of public instruction on: (i) The annual number of
22 graduating high school seniors within the district earning the
23 Washington state seal of biliteracy provided in RCW 28A.300.575; and
24 (ii) the number of high school students earning competency-based high
25 school credits for world languages by demonstrating proficiency in a
26 language other than English. The office of the superintendent of
27 public instruction shall provide a summary report to the office of
28 the governor and the appropriate committees of the legislature by
29 December 1st of each year.

30 (2) \$3,857,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$3,857,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for activities associated with
33 the implementation of House Bill No. 2242 (fully funding the program
34 of basic education).

35 (3)(a) \$911,000 of the general fund—state appropriation for
36 fiscal year 2018 and \$911,000 of the general fund—state appropriation
37 for fiscal year 2019 are provided solely for the operation and
38 expenses of the state board of education, including basic education
39 assistance activities.

1 (b) \$322,000 of the Washington opportunity pathways account—state
2 appropriation is provided solely for the state board of education to
3 provide assistance to public schools other than common schools
4 authorized under chapter 28A.710 RCW.

5 (4) \$3,512,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$3,512,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided solely to the professional educator
8 standards board for the following:

9 (a) \$1,115,000 in fiscal year 2018 and \$1,115,000 in fiscal year
10 2019 are for the operation and expenses of the Washington
11 professional educator standards board;

12 (b) \$2,372,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$2,372,000 of the general fund—state appropriation for
14 fiscal year 2019 are for grants to improve preservice teacher
15 training and for funding of alternate routes to certification
16 programs administered by the professional educator standards board.
17 Alternate routes programs include the pipeline for paraeducators
18 program, the retooling to teach conditional loan programs, and the
19 recruiting Washington teachers program. Priority shall be given to
20 programs that support bilingual teachers and English language
21 learners. Within this subsection (4)(b), up to \$500,000 per fiscal
22 year is available for grants to public or private colleges of
23 education in Washington state to develop models and share best
24 practices for increasing the classroom teaching experience of
25 preservice training programs and \$250,000 is provided solely for the
26 pipeline for paraeducators conditional scholarship program for
27 scholarships for paraeducators to complete their associate of arts
28 degrees in subject matter shortage areas;

29 (c) \$25,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$25,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for the professional educator
32 standards board to develop educator interpreter standards and
33 identify interpreter assessments that are available to school
34 districts. Interpreter assessments should meet the following
35 criteria: (A) Include both written assessment and performance
36 assessment; (B) be offered by a national organization of professional
37 sign language interpreters and transliterators; and (C) be designed
38 to assess performance in more than one sign system or sign language.
39 The board shall establish a performance standard, defining what

1 constitutes a minimum assessment result, for each educational
2 interpreter assessment identified. The board shall publicize the
3 standards and assessments for school district use;

4 (d) Within the amounts appropriated in this section, sufficient
5 funding is provided for implementation of chapter 172, Laws of 2017
6 (SHB 1741) (educator prep. data/PESB).

7 (5) \$266,000 of the general fund—state appropriation for fiscal
8 year 2018 and (~~(\$266,000)~~) \$502,000 of the general fund—state
9 appropriation for fiscal year 2019 are provided solely for the
10 implementation of chapter 240, Laws of 2010, including staffing the
11 office of equity and civil rights.

12 (6) \$61,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$61,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for the ongoing work of the
15 education opportunity gap oversight and accountability committee.

16 (7) \$61,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$61,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for the implementation of
19 chapter 380, Laws of 2009 (enacting the interstate compact on
20 educational opportunity for military children).

21 (8) \$262,000 of the Washington opportunity pathways account—state
22 appropriation is provided solely for activities related to public
23 schools other than common schools authorized under chapter 28A.710
24 RCW.

25 (9) \$1,802,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$1,802,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for implementing a comprehensive
28 data system to include financial, student, and educator data,
29 including development and maintenance of the comprehensive education
30 data and research system (CEDARS).

31 (10) \$50,000 of the general fund—state appropriation for fiscal
32 year 2018 and \$50,000 of the general fund—state appropriation for
33 fiscal year 2019 are provided solely for project citizen, a program
34 sponsored by the national conference of state legislatures and the
35 center for civic education to promote participation in government by
36 middle school students.

37 (11) \$1,500,000 of the general fund—state appropriation for
38 fiscal year 2018 is provided solely for collaborative schools for
39 innovation and success authorized under chapter 53, Laws of 2012. The

1 office of the superintendent of public instruction shall award
2 \$500,000 for each collaborative school for innovation and success
3 selected for participation in the pilot program during 2012.

4 (12) \$123,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$123,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for implementation of chapter
7 163, Laws of 2012 (foster care outcomes). The office of the
8 superintendent of public instruction shall annually report each
9 December on the implementation of the state's plan of cross-system
10 collaboration to promote educational stability and improve education
11 outcomes of foster youth.

12 (13) \$250,000 of the general fund—state appropriation for fiscal
13 year 2018 is provided solely for implementation of chapter 178, Laws
14 of 2012 (open K-12 education resources).

15 (14) \$50,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$50,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for school bullying and
18 harassment prevention activities.

19 (15) \$14,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$14,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for implementation of chapter
22 242, Laws of 2013 (state-tribal education compacts).

23 (16) \$62,000 of the general fund—state appropriation for fiscal
24 year 2018 and \$62,000 of the general fund—state appropriation for
25 fiscal year 2019 are provided solely for competitive grants to school
26 districts to increase the capacity of high schools to offer AP
27 computer science courses. In making grant allocations, the office of
28 the superintendent of public instruction must give priority to
29 schools and districts in rural areas, with substantial enrollment of
30 low-income students, and that do not offer AP computer science.
31 School districts may apply to receive either or both of the following
32 grants:

33 (a) A grant to establish partnerships to support computer science
34 professionals from private industry serving on a voluntary basis as
35 coinstructors along with a certificated teacher, including via
36 synchronous video, for AP computer science courses; or

37 (b) A grant to purchase or upgrade technology and curriculum
38 needed for AP computer science, as well as provide opportunities for

1 professional development for classroom teachers to have the requisite
2 knowledge and skills to teach AP computer science.

3 (17) \$10,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$10,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for the superintendent of public
6 instruction to convene a committee for the selection and recognition
7 of Washington innovative schools. The committee shall select and
8 recognize Washington innovative schools based on the selection
9 criteria established by the office of the superintendent of public
10 instruction, in accordance with chapter 202, Laws of 2011 (innovation
11 schools—recognition) and chapter 260, Laws of 2011 (innovation
12 schools and zones).

13 (18) \$100,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$100,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the Mobius science center to
16 expand mobile outreach of science, technology, engineering, and
17 mathematics (STEM) education to students in rural, tribal, and low-
18 income communities.

19 (19) \$131,000 of the general fund—state appropriation for fiscal
20 year 2018, \$131,000 of the general fund—state appropriation for
21 fiscal year 2019, and \$211,000 of the performance audits of
22 government account—state appropriation are provided solely for the
23 office of the superintendent of public instruction to perform on-
24 going program reviews of alternative learning experience programs,
25 dropout reengagement programs, and other high risk programs. Findings
26 from the program reviews will be used to support and prioritize the
27 office of the superintendent of public instruction outreach and
28 education efforts that assist school districts in implementing the
29 programs in accordance with statute and legislative intent, as well
30 as to support financial and performance audit work conducted by the
31 office of the state auditor.

32 (20) \$150,000 of the general fund—state appropriation for fiscal
33 year 2018 and (~~(\$150,000)~~) \$215,000 of the general fund—state
34 appropriation for fiscal year 2019 are provided solely for youth
35 suicide prevention activities.

36 (21) \$31,000 of the general fund—state appropriation for fiscal
37 year 2018 and \$55,000 of the general fund—state appropriation for
38 fiscal year 2019 are provided solely for the office of the
39 superintendent of public instruction for statewide implementation of

1 career and technical education course equivalency frameworks
2 authorized under RCW 28A.700.070 for math and science. This may
3 include development of additional equivalency course frameworks,
4 course performance assessments, and professional development for
5 districts implementing the new frameworks.

6 (22) \$2,541,000 of the general fund—state appropriation for
7 fiscal year 2018 and \$2,541,000 of the general fund—state
8 appropriation for fiscal year 2019 are provided solely for a corps of
9 nurses located at educational service districts, as determined by the
10 superintendent of public instruction, to be dispatched to the most
11 needy schools to provide direct care to students, health education,
12 and training for school staff.

13 (23) \$300,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$300,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for a nonviolence and ethical
16 leadership training and professional development program provided by
17 the institute for community leadership.

18 (24) \$1,221,000 of the general fund—state appropriation for
19 fiscal year 2018 and \$1,221,000 of the general fund—state
20 appropriation for fiscal year 2019 are provided solely for K-20
21 telecommunications network technical support in the K-12 sector to
22 prevent system failures and avoid interruptions in school utilization
23 of the data processing and video-conferencing capabilities of the
24 network. These funds may be used to purchase engineering and advanced
25 technical support for the network.

26 (25) \$3,940,000 of the general fund—state appropriation for
27 fiscal year 2018 and (~~(\$3,940,000)~~) \$4,230,000 of the general fund—
28 state appropriation for fiscal year 2019 are provided solely for the
29 Washington state achievers scholarship and Washington higher
30 education readiness program. The funds shall be used to: Support
31 community involvement officers that recruit, train, and match
32 community volunteer mentors with students selected as achievers
33 scholars; and to identify and reduce barriers to college for low-
34 income and underserved middle and high school students.

35 (26) \$1,354,000 of the general fund—state appropriation for
36 fiscal year 2018 and (~~(\$1,354,000)~~) \$1,454,000 of the general fund—
37 state appropriation for fiscal year 2019 are provided solely for
38 contracting with a college scholarship organization with expertise in
39 conducting outreach to students concerning eligibility for the

1 Washington college bound scholarship consistent with chapter 405,
2 Laws of 2007.

3 (27) \$410,000 of the general fund—state appropriation for fiscal
4 year 2018, \$280,000 of the general fund—state appropriation for
5 fiscal year 2019, and (~~(\$1,029,000)~~) \$1,028,000 of the dedicated
6 marijuana account—state appropriation are provided solely for dropout
7 prevention, intervention, and reengagement programs, including the
8 jobs for America's graduates (JAG) program, dropout prevention
9 programs that provide student mentoring, and the building bridges
10 statewide program. Students in the foster care system or who are
11 homeless shall be given priority by districts offering the jobs for
12 America's graduates program. The office of the superintendent of
13 public instruction shall convene staff representatives from high
14 schools to meet and share best practices for dropout prevention. Of
15 these amounts, \$513,000 of the dedicated marijuana account—state
16 appropriation for fiscal year 2018, and (~~(\$516,000)~~) \$515,000 of the
17 dedicated marijuana account—state appropriation for fiscal year 2019
18 are provided solely for the building bridges statewide program.

19 (28) \$2,984,000 of the general fund—state appropriation for
20 fiscal year 2018 and \$2,590,000 of the general fund—state
21 appropriation for fiscal year 2019 are provided solely for the
22 Washington kindergarten inventory of developing skills. State funding
23 shall support statewide administration and district implementation of
24 the inventory under RCW 28A.655.080.

25 (29) \$293,000 of the general fund—state appropriation for fiscal
26 year 2018 and \$293,000 of the general fund—state appropriation for
27 fiscal year 2019 are provided solely for the office of the
28 superintendent of public instruction to support district
29 implementation of comprehensive guidance and planning programs in
30 support of high-quality high school and beyond plans consistent with
31 RCW 28A.230.090.

32 (30) \$4,894,000 of the general fund—state appropriation for
33 fiscal year 2018 and \$4,894,000 of the general fund—state
34 appropriation for fiscal year 2019 are provided solely for (~~(grants~~
35 ~~for)~~) implementation of dual credit programs and subsidized advance
36 placement exam fees and international baccalaureate class fees and
37 exam fees for low-income students. For expenditures related to
38 subsidized exam fees, the superintendent shall report: The number of

1 students served; the demographics of the students served; and how the
2 students perform on the exams.

3 (31) \$100,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$100,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for the superintendent of public
6 instruction to convene a work group to build upon the work of the
7 social emotional learning work group established under section
8 501(34), chapter 4, Laws of 2015 3rd sp. sess. The members of the
9 work group must include representatives from the same organizations
10 that were represented on the 2015 work group, as well as five
11 representatives of diverse communities and a statewide expanded
12 learning opportunities intermediary. The work group must identify and
13 articulate developmental indicators for each grade level for each of
14 the social emotional learning benchmarks, solicit feedback from
15 stakeholders, and develop a model of best practices or guidance for
16 schools on implementing the benchmarks and indicators. The work group
17 shall submit recommendations to the education committees of the
18 legislature and the office of the governor by June 30, 2019.

19 (32) \$117,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$117,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for implementation of chapter 3
22 (SHB No. 1813), Laws of 2015 1st sp. sess. (computer science).

23 (33) \$450,000 of the general fund—state appropriation for fiscal
24 year 2018 and (~~(\$450,000)~~) \$1,450,000 of the general fund—state
25 appropriation for fiscal year 2019 are provided solely for
26 implementation of chapter 236, Laws of 2017 (SHB 1445) (dual
27 language/early learning & K-12). In selecting recipients of the K-12
28 dual language grant, the superintendent of public instruction must
29 prioritize districts that received grants under section 501(36),
30 chapter 4, Laws of 2015 3rd sp. sess. Up to \$450,000 of the general
31 fund—state appropriation for fiscal year 2019 is for implementation
32 of the K-12 dual language grant program established in RCW
33 28A.630.095. \$1,000,000 of the general fund—state appropriation for
34 fiscal year 2019 is provided solely for implementation of the
35 bilingual educator initiative pilot project established under RCW
36 28A.180.120.

37 (34) \$125,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$125,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for the Kip Tokuda memorial

1 Washington civil liberties public education program. The
2 superintendent of public instruction shall award grants consistent
3 with RCW 28A.300.410.

4 (35) \$1,000,000 of the general fund—state appropriation for
5 fiscal year 2018 and \$1,000,000 of the general fund—state
6 appropriation for fiscal year 2019 are provided solely for the
7 computer science and education grant program to support the following
8 three purposes: Train and credential teachers in computer sciences;
9 provide and upgrade technology needed to learn computer science; and,
10 for computer science frontiers grants to introduce students to and
11 engage them in computer science. The office of the superintendent of
12 public instruction must use the computer science learning standards
13 adopted pursuant to chapter 3, Laws of 2015 (computer science) in
14 implementing the grant, to the extent possible. Additionally, grants
15 provided for the purpose of introducing students to computer science
16 are intended to support innovative ways to introduce and engage
17 students from historically underrepresented groups, including girls,
18 low-income students, and minority students, to computer science and
19 to inspire them to enter computer science careers. Grant funds for
20 the computer science and education grant program may be expended only
21 to the extent that they are equally matched by private sources for
22 the program, including gifts, grants, or endowments.

23 (36) \$2,145,000 of the general fund—state appropriation for
24 fiscal year 2018 and \$2,145,000 of the general fund—state
25 appropriation for fiscal year 2019 are provided solely for a contract
26 with a nongovernmental entity or entities for demonstration sites to
27 improve the educational outcomes of students who are dependent
28 pursuant to chapter 13.34 RCW pursuant to chapter 71, Laws of 2016
29 (Fourth Substitute House Bill No. 1999, foster youth edu. outcomes).

30 (a) Of the amount provided in this subsection, \$446,000 of the
31 general fund—state appropriation for fiscal year 2018 and \$446,000 of
32 the general fund—state appropriation for fiscal year 2019 are
33 provided solely for the demonstration site established pursuant to
34 the 2013-2015 omnibus appropriations act, section 202(10), chapter 4,
35 Laws of 2013, 2nd sp. sess.

36 (b) Of the amount provided in this subsection, \$1,015,000 of the
37 general fund—state appropriation for fiscal year 2018 and \$1,015,000
38 of the general fund—state appropriation for fiscal year 2019 are
39 provided solely for the demonstration site established pursuant to

1 the 2015-2017 omnibus appropriations act, section 501(43)(b), chapter
2 4, Laws of 2015, 3rd sp. sess., as amended.

3 (37) \$1,000,000 of the general fund—state appropriation for
4 fiscal year 2018 and \$1,000,000 of the general fund—state
5 appropriation for fiscal year 2019 are provided solely for
6 implementation of chapter 157, Laws of 2016 (Third Substitute House
7 Bill No. 1682, homeless students).

8 (38) \$753,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$703,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for implementation of chapter
11 72, Laws of 2016 (Fourth Substitute House Bill No. 1541, educational
12 opportunity gap).

13 (39) \$57,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$15,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for implementation of chapter
16 240, Laws of 2016 (Engrossed Senate Bill No. 6620, school safety).

17 (40) \$186,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$178,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for implementation of chapter
20 291, Laws of 2017 (2SHB 1170) (truancy reduction efforts).

21 (41) \$984,000 of the general fund—state appropriation for fiscal
22 year 2018 and \$912,000 of the general fund—state appropriation for
23 fiscal year 2019 are provided solely for implementation of chapter
24 237, Laws of 2017 (ESHB 1115) (paraeducators).

25 (42) \$204,000 of the general fund—state appropriation for fiscal
26 year 2018, \$204,000 of the general fund—state appropriation for
27 fiscal year 2019, and \$408,000 of the general fund—federal
28 appropriation are provided solely for implementation of chapter 202,
29 Laws of 2017 (E2SHB 1713) (children's mental health).

30 (43) \$300,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$300,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for grants to middle and high
33 schools to support international baccalaureate programs in high
34 poverty schools. Of these amounts:

35 (a) \$200,000 of the appropriation for fiscal year 2018 and
36 \$200,000 of the appropriation for fiscal year 2019 are provided
37 solely for grants to high schools that have an existing international
38 baccalaureate program and enrollments of seventy percent or more
39 students eligible for free or reduced-price meals in the prior school

1 year to implement and sustain an international baccalaureate program;
2 and

3 (b) \$100,000 of the appropriation for fiscal year 2018 and
4 \$100,000 of the appropriation for fiscal year 2019 are provided
5 solely for grants to middle schools with students that will attend a
6 qualifying high poverty high school that has received a grant under
7 (a) of this subsection to support implementation of a middle school
8 international baccalaureate program.

9 (44) \$240,000 of the general fund—state appropriation for fiscal
10 year 2018 is provided solely for a grant to the Pacific science
11 center to continue providing science on wheels activities in schools
12 and other community settings. Funding is provided to assist with
13 upgrading three planetarium computers and software and to assist with
14 purchasing and outfitting three vans with new traveling planetarium
15 exhibits.

16 (45) \$100,000 of the general fund—state appropriation for fiscal
17 year 2018 is provided solely for the office of the superintendent of
18 public instruction to contract for consulting services for a study of
19 the current state pupil transportation funding formula. The study
20 must evaluate the extent to which the formula corresponds to the
21 actual costs of providing pupil transportation to and from school for
22 the state's statutory program of basic education, including local
23 school district characteristics such as unique geographic
24 constraints, and transportation for students who are identified as
25 homeless under the McKinney-Vento act. Based on the results of this
26 evaluation, the superintendent must make recommendations for any
27 necessary revisions to the state's pupil transportation formula,
28 taking into account the statutory program of basic education,
29 promotion of the efficient use of state and local resources, and
30 continued local district control over the management of pupil
31 transportation systems. The superintendent must make recommendations
32 to clarify the sources of funding that districts can use to transport
33 homeless students to and from school.

34 (46) \$440,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$270,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for the office of the
37 superintendent of public instruction for the procurement and
38 implementation of a reporting and data aggregation system that will
39 connect state- and district-level information to secure and protect

1 district, school and student information in order to close student
2 performance gaps by assisting school districts in data-driven
3 implementation of strategies and supports that are responsive of
4 student needs.

5 (47) \$150,000 of the general fund—state appropriation for fiscal
6 year 2018 and \$450,000 of the general fund—state appropriation for
7 fiscal year 2019 are provided for the superintendent of public
8 instruction to develop and implement a statewide accountability
9 system to address absenteeism and to improve student graduation
10 rates. The system must use data to engage schools and districts in
11 identifying successful strategies and systems that are based on
12 federal and state accountability measures. Funding may also support
13 the effort to provide assistance about successful strategies and
14 systems to districts and schools that are underperforming in the
15 targeted student subgroups.

16 (48) \$178,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$179,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for implementation of chapter
19 180, Laws of 2017 (2SSB 5258) (Washington Aim program).

20 (49)(a) \$31,000 of the general fund—state appropriation for
21 fiscal year 2018 and \$125,000 of the general fund—state appropriation
22 for fiscal year 2019 are provided solely for the superintendent of
23 public instruction to assist the office of the governor in developing
24 a strategic plan for career connected learning focused on youth
25 apprenticeship.

26 (b) In consultation with the governor's office, the
27 superintendent shall collaborate with the state board for community
28 and technical colleges, workforce training board, department of labor
29 and industries, and employment security department to:

30 (i) Review existing career connected learning programs and youth
31 apprenticeship programs;

32 (ii) Analyze barriers to statewide adoption of registered
33 apprenticeship programs and pre-apprenticeship programs; and

34 (iii) Recommend policies to implement strategies that increase
35 statewide youth engagement in registered apprenticeships.

36 (c) Individuals from the public and private sectors with
37 expertise in career and technical education and career-integrated
38 training, including representatives of labor unions, professional

1 technical organizations, and business and industry must be consulted
2 in the development of recommendations.

3 (d) Findings and recommendations must be consolidated into one
4 report delivered to the governor and the education and economic
5 development committees of the legislature by October 1, 2018.

6 (50) \$150,000 of the general fund—state appropriation for fiscal
7 year 2019 is provided solely for the office of the superintendent of
8 public instruction to ensure career and technical education courses
9 are aligned with high-demand, high-wage jobs. The superintendent
10 shall verify that the current list of career and technical education
11 courses meets the criteria established in RCW 28A.700.020(2). The
12 superintendent shall remove from the list any career and technical
13 education course that no longer meets such criteria.

14 (51) \$100,000 of the general fund—state appropriation for fiscal
15 year 2019 is provided solely for implementation of a study of the
16 impact on student success of lengthening the school day or year in
17 kindergarten through eighth grade. By June 1, 2019, the
18 superintendent shall report to the legislature and governor
19 recommendations related to school day expansion, including uses for
20 additional time and potential costs to the state.

21 (52) \$150,000 of the general fund—state appropriation for fiscal
22 year 2019 and \$50,000 of the general fund—private/local appropriation
23 for fiscal year 2019 are provided solely for support of national
24 history day. Activities funded must include outreach, implementation,
25 and support for student participation.

26 (53) \$886,000 of the general fund—state appropriation for fiscal
27 year 2019 is provided solely to support the development of high
28 school and beyond plans beginning in middle school. The office of the
29 superintendent of public instruction shall assist districts with the
30 requirements of RCW 28A.230.090 and develop and disseminate resources
31 that support student academic and career planning.

32 (54) \$6,000,000 of the general fund—state appropriation for
33 fiscal year 2019 is provided solely for the office of the
34 superintendent of public instruction to provide grants to school
35 districts and educational service districts for science teacher
36 training in the next generation science standards including training
37 in the climate science standards. At a minimum, school districts
38 shall ensure that teachers in one grade level in each elementary,
39 middle, and high school participate in this science training.

1 **Sec. 502.** 2017 3rd sp.s. c 1 s 502 (uncodified) is amended to
2 read as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL**
4 **APPORTIONMENT**

5	General Fund—State Appropriation (FY 2018) . . .	((\$7,183,886,000))
6		<u>\$7,226,588,000</u>
7	General Fund—State Appropriation (FY 2019) . . .	((\$7,412,055,000))
8		<u>\$7,007,012,000</u>
9	Education Legacy Trust Account—State Appropriation . . .	\$345,730,000
10	TOTAL APPROPRIATION.	((\$14,941,671,000))
11		<u>\$14,579,330,000</u>

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

14 (1)(a) Each general fund fiscal year appropriation includes such
15 funds as are necessary to complete the school year ending in the
16 fiscal year and for prior fiscal year adjustments.

17 (b) For the 2017-18 and 2018-19 school years, the superintendent
18 shall allocate general apportionment funding to school districts as
19 provided in the funding formulas and salary allocations in sections
20 502 and 503 of this act, excluding (c) of this subsection, and in
21 House Bill No. 2242 (fully funding the program of basic education).

22 (c) From July 1, 2017, to August 31, 2017, the superintendent
23 shall allocate general apportionment funding to school districts
24 programs as provided in sections 502 and 503, chapter 4, Laws of 2015
25 3rd sp. sess., as amended.

26 (d) The enrollment of any district shall be the annual average
27 number of full-time equivalent students and part-time students as
28 provided in RCW 28A.150.350, enrolled on the fourth day of school in
29 September and on the first school day of each month October through
30 June, including students who are in attendance pursuant to RCW
31 28A.335.160 and 28A.225.250 who do not reside within the servicing
32 school district. Any school district concluding its basic education
33 program in May must report the enrollment of the last school day held
34 in May in lieu of a June enrollment.

35 (e)(i) Funding provided in part V of this act is sufficient to
36 provide each full-time equivalent student with the minimum hours of
37 instruction required under RCW 28A.150.220.

38 (ii) The office of the superintendent of public instruction shall
39 align the agency rules defining a full-time equivalent student with

1 the increase in the minimum instructional hours under RCW
2 28A.150.220, as amended by the legislature in 2014.

3 (f) The superintendent shall adopt rules requiring school
4 districts to report full-time equivalent student enrollment as
5 provided in RCW 28A.655.210.

6 (g) For the 2017-18 and 2018-19 school years, school districts
7 must report to the office of the superintendent of public instruction
8 the monthly actual average district-wide class size across each grade
9 level of kindergarten, first grade, second grade, and third grade
10 classes. The superintendent of public instruction shall report this
11 information to the education and fiscal committees of the house of
12 representatives and the senate by September 30th of each year.

13 (h) Funding is provided in this section for a hold harmless
14 payment beginning with the 2018-19 school year. A school district
15 qualifies for a hold harmless payment if the sum of the school
16 district's state basic education allocations plus its enrichment levy
17 and local effort assistance under chapter 13, Laws of 2017 3rd sp.
18 sess. is less than the sum of what the district would have received
19 for that year from the state basic education allocations, local
20 maintenance and operation levy, and local effort assistance under the
21 law as it existed on January 1, 2017. For the prior law calculation,
22 it is assumed that the local levy is the lesser of the voter approved
23 levy as of January 1, 2017, and the maximum allowed under the law as
24 it existed on January 1, 2017.

25 (2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

26 Allocations for certificated instructional staff salaries for the
27 2017-18 and 2018-19 school years are determined using formula-
28 generated staff units calculated pursuant to this subsection.

29 (a) Certificated instructional staff units, as defined in RCW
30 28A.150.410, shall be allocated to reflect the minimum class size
31 allocations, requirements, and school prototypes assumptions as
32 provided in RCW 28A.150.260, except that the allocation for guidance
33 counselors in a middle school shall be 1.716 for the 2018-19 school
34 year, this enhancement is within the program of basic education. The
35 superintendent shall make allocations to school districts based on
36 the district's annual average full-time equivalent student enrollment
37 in each grade.

38 (b) Additional certificated instructional staff units provided in
39 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 (a)
13 of this subsection and is considered certificated instructional
14 staff, except as provided in (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 (~~(23.49)~~) 23.75 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 (~~(24.60)~~) 24.73 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	\$132.85
Utilities and Insurance	\$355.30	\$360.98
Curriculum and Textbooks	\$140.39	\$142.64
Other Supplies and Library Materials	\$298.05	\$302.82
Instructional Professional Development for Certificated and Classified Staff	\$21.71	\$22.06
Facilities Maintenance	\$176.01	\$178.83
Security and Central Office	\$121.94	\$123.89
TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$1,244.16	\$1,264.07

(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 \$1,495.56 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 \$1,495.56 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
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1	Technology	\$37.60	\$38.20
2	Curriculum and Textbooks	\$41.02	\$41.67
3	Other Supplies and Library Materials	\$85.46	\$86.82
4	Instructional Professional Development for Certified	\$6.83	\$6.95
5	and Classified Staff		
6	TOTAL GRADE 9-12 BASIC EDUCATION MSOC/STUDENT FTE	\$170.91	\$173.64

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 (~~((12))~~) shall generate additional MSOC allocations
12 consistent with the nonemployee related costs (NERC) allocation
13 formula in place for the 2010-11 school year as provided section 502,
14 chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget),
15 adjusted annually 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 \$648,000 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 (~~(12)~~) (13) of this section, the following
35 apply:

36 (a) For three school years following consolidation, the number of
37 basic education formula staff units shall not be less than the number
38 of basic education formula staff units received by the districts in
39 the school year prior to the consolidation; and

1 (b) For the fourth through eighth school years following
2 consolidation, the difference between the basic education formula
3 staff units received by the districts for the school year prior to
4 consolidation and the basic education formula staff units after
5 consolidation pursuant to subsection ~~((12))~~ (13) of this section
6 shall be reduced in increments of twenty percent per year.

7 (20)(a) Indirect cost charges by a school district to approved
8 career and technical education middle and secondary programs shall
9 not exceed ~~((5-percent))~~ the lesser of five percent or the cap
10 established in federal law of the combined basic education and career
11 and technical education program enhancement allocations of state
12 funds. Middle and secondary career and technical education programs
13 are considered separate programs for funding and financial reporting
14 purposes under this section.

15 (b) Career and technical education program full-time equivalent
16 enrollment shall be reported on the same monthly basis as the
17 enrollment for students eligible for basic support, and payments
18 shall be adjusted for reported career and technical education program
19 enrollments on the same monthly basis as those adjustments for
20 enrollment for students eligible for basic support.

21 (21) Funding in this section is sufficient to provide full
22 general apportionment payments to school districts eligible for
23 federal forest revenues as provided in RCW 28A.520.020. For the
24 2017-2019 biennium only, general apportionment payments are not
25 reduced for school districts receiving federal forest revenues.

26 **Sec. 503.** 2017 3rd sp.s. c 1 s 503 (uncodified) is amended to
27 read as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—BASIC EDUCATION EMPLOYEE**
29 **COMPENSATION**

30 (1) The following calculations determine the salaries used in the
31 state allocations for certificated instructional, certificated
32 administrative, and classified staff units as provided in House Bill
33 No. 2242 (fully funding the program of basic education), RCW
34 28A.150.260, and under section 502 of this act:

35 (a) For the 2017-18 school year, salary allocations for
36 certificated instructional staff units are determined for each
37 district by multiplying the district's certificated instructional
38 total base salary shown on LEAP Document 2 by the district's average

1 staff mix factor for certificated instructional staff in that school
2 year, computed using LEAP document 1.

3 (b) For the 2017-18 school year, salary allocations for
4 certificated administrative staff units and classified staff units
5 for each district are determined based on the district's certificated
6 administrative and classified salary allocation amounts shown on LEAP
7 Document 2.

8 (c) For the 2018-19 school year salary allocations for
9 certificated instructional staff, certificated administrative staff,
10 and classified staff units are determined for each school district by
11 multiplying the statewide minimum salary allocation for each staff
12 type by the school district's regionalization factor shown in LEAP
13 Document 3.

14 Statewide Minimum Salary Allocation
15 For School Year 2018-19

16	Certificated Instructional Staff	((\$59,333.55)
17		<u>\$65,024.05</u>
18	Certificated Administrative Staff	((\$79,127.50)
19		<u>\$96,520.00</u>
20	Classified Staff	((\$39,975.50)
21		<u>\$46,646.59</u>

22 (2) For the purposes of this section:

23 (a) "LEAP Document 1" means the staff mix factors for
24 certificated instructional staff according to education and years of
25 experience, as developed by the legislative evaluation and
26 accountability program committee on June 22, 2017, at 1:14 hours; and

27 (b) "LEAP Document 2" means the school year salary allocations
28 for certificated administrative staff and classified staff and
29 derived and total base salaries for certificated instructional staff
30 as developed by the legislative evaluation and accountability program
31 committee on June 22, 2017, at 1:14 hours.

32 (c) "LEAP Document 3" means the school district regionalization
33 factors for certificated instructional, certificated administrative,
34 and classified staff, as developed by the legislative evaluation and
35 accountability program committee on (~~June 22, 2017, at 1:14 hours~~)
36 December 11, 2017, at 9:16 hours.

37 (3) Incremental fringe benefit factors are applied to salary
38 adjustments at a rate of 22.85 percent for school year 2017-18 and

1 ((~~22.85~~)) 23.11 percent for school year 2018-19 for certificated
 2 instructional and certificated administrative staff and 21.10 percent
 3 for school year 2017-18 and ((~~21.10~~)) 21.23 percent for the 2018-19
 4 school year for classified staff.

5 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide
 6 salary allocation schedule for certificated instructional staff are
 7 established for basic education salary allocations for the 2017-18
 8 school year:

9 **Table Of Total Base Salaries For Certificated Instructional Staff**

10 **For School Year 2017-18**

11 *** Education Experience ***

12	Years										MA+90
13	of										OR
14	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	Ph.D.	
15	0	36,521	37,507	38,529	39,554	42,840	44,957	43,785	47,072	49,191	
16	1	37,013	38,013	39,048	40,117	43,438	45,543	44,272	47,593	49,697	
17	2	37,481	38,491	39,537	40,688	44,000	46,127	44,762	48,073	50,201	
18	3	37,964	38,983	40,040	41,229	44,534	46,712	45,227	48,529	50,709	
19	4	38,437	39,501	40,565	41,794	45,119	47,313	45,714	49,038	51,234	
20	5	38,926	39,995	41,069	42,367	45,679	47,918	46,209	49,522	51,760	
21	6	39,428	40,474	41,585	42,948	46,244	48,494	46,716	50,013	52,262	
22	7	40,312	41,373	42,498	43,935	47,280	49,593	47,666	51,010	53,324	
23	8	41,604	42,724	43,876	45,431	48,822	51,219	49,161	52,552	54,949	
24	9		44,122	45,332	46,943	50,413	52,892	50,672	54,143	56,623	
25	10			46,805	48,533	52,049	54,611	52,263	55,780	58,340	
26	11				50,169	53,761	56,375	53,899	57,492	60,104	
27	12				51,753	55,520	58,211	55,600	59,250	61,942	
28	13					57,322	60,093	57,360	61,052	63,823	
29	14					59,132	62,046	59,172	62,981	65,776	
30	15					60,671	63,660	60,710	64,618	67,486	
31	16 or					61,884	64,932	61,924	65,910	68,836	
32	more										

1 (b) As used in this subsection, the column headings "BA+(N)"
2 refer to the number of credits earned since receiving the
3 baccalaureate degree.

4 (c) For credits earned after the baccalaureate degree but before
5 the masters degree, any credits in excess of forty-five credits may
6 be counted after the masters degree. Thus, as used in this
7 subsection, the column headings "MA+(N)" refer to the total of:

8 (i) Credits earned since receiving the masters degree; and

9 (ii) Any credits in excess of forty-five credits that were earned
10 after the baccalaureate degree but before the masters degree.

11 (5) For the purposes of this section:

12 (a) "BA" means a baccalaureate degree.

13 (b) "MA" means a masters degree.

14 (c) "PHD" means a doctorate degree.

15 (d) "Years of service" shall be calculated under the same rules
16 adopted by the superintendent of public instruction.

17 (e) "Credits" means college quarter hour credits and equivalent
18 in-service credits computed in accordance with RCW 28A.415.020 and
19 28A.415.023.

20 (6) No more than ninety college quarter-hour credits received by
21 any employee after the baccalaureate degree may be used to determine
22 compensation allocations under the state salary allocation schedule
23 and LEAP documents referenced in this part V, or any replacement
24 schedules and documents, unless:

25 (a) The employee has a masters degree; or

26 (b) The credits were used in generating state salary allocations
27 before January 1, 1992.

28 (7) The salary allocations established in this section are for
29 allocation purposes only except as provided in this subsection, and
30 do not entitle an individual staff position to a particular paid
31 salary except as provided in RCW 28A.400.200, as amended by House
32 Bill No. 2242 (fully funding the program of basic education).

33 (8) For school year 2018-19, the salary allocations for each
34 district shall be the greater of:

35 (a) The derived school year 2018-19 salary allocations in
36 subsection (1) of this section; or

37 (b) The derived salary allocations for school year 2017-18
38 increased by 2.3 percent.

1 **Sec. 504.** 2017 3rd sp.s. c 1 s 504 (uncodified) is amended to
2 read as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL EMPLOYEE**
4 **COMPENSATION ADJUSTMENTS**

5	General Fund—State Appropriation (FY 2018).	((\$216,086,000))
6		<u>\$215,593,000</u>
7	General Fund—State Appropriation (FY 2019).	((\$1,360,536,000))
8		<u>\$1,988,309,000</u>
9	TOTAL APPROPRIATION.	((\$1,576,622,000))
10		<u>\$2,203,902,000</u>

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

13 (1) The salary increases provided in this section are inclusive
14 of and above the annual cost-of-living adjustments pursuant to RCW
15 28A.400.205.

16 (2) In addition to salary allocations specified in this
17 subsection (1) funding in this subsection includes one day of
18 professional learning for each of the funded full-time equivalent
19 certificated instructional staff units in school year 2018-19.
20 Nothing in this section entitles an individual certificated
21 instructional staff to any particular number of professional learning
22 days.

23 (3)(a) The appropriations in this section include associated
24 incremental fringe benefit allocations at 22.85 percent for the
25 2017-18 school year and ((~~22.85~~)) 23.11 percent for the 2018-19
26 school year for certificated instructional and certificated
27 administrative staff and 21.10 percent for the 2017-18 school year
28 and ((~~21.10~~)) 21.23 percent for the 2018-19 school year for
29 classified staff.

30 (b) The appropriations in this section include the increased or
31 decreased portion of salaries and incremental fringe benefits for all
32 relevant state-funded school programs in part V of this act. Changes
33 for general apportionment (basic education) are based on the salary
34 allocations and methodology in sections 502 and 503 of this act.
35 Changes for special education result from changes in each district's
36 basic education allocation per student. Changes for educational
37 service districts and institutional education programs are determined
38 by the superintendent of public instruction using the methodology for

1 general apportionment salaries and benefits in sections 502 and 503
2 of this act.

3 (c) The appropriations in this section include no salary
4 adjustments for substitute teachers.

5 (4) The maintenance rate for insurance benefit allocations is
6 \$780.00 per month for the 2017-18 and 2018-19 school years. The
7 appropriations in this section reflect the incremental change in cost
8 of allocating rates of \$820.00 per month for the 2017-18 school year
9 and (~~(\$840.00)~~) \$845.18 per month for the 2018-19 school year.

10 (5) The rates specified in this section are subject to revision
11 each year by the legislature.

12 **Sec. 505.** 2017 3rd sp.s. c 1 s 505 (uncodified) is amended to
13 read as follows:

14 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION**

15	General Fund—State Appropriation (FY 2018)	. . . . .	((\$502,599,000))
16			<u>\$513,289,000</u>
17	General Fund—State Appropriation (FY 2019)	. . . . .	((\$497,940,000))
18			<u>\$479,400,000</u>
19	TOTAL APPROPRIATION.	. . . . .	((\$1,000,539,000))
20			<u>\$992,689,000</u>

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

23 (1) Each general fund fiscal year appropriation includes such
24 funds as are necessary to complete the school year ending in the
25 fiscal year and for prior fiscal year adjustments.

26 (2)(a) For the 2017-18 and 2018-19 school years, the
27 superintendent shall allocate funding to school district programs for
28 the transportation of eligible students as provided in RCW
29 28A.160.192. Funding in this section constitutes full implementation
30 of RCW 28A.160.192, which enhancement is within the program of basic
31 education. Students are considered eligible only if meeting the
32 definitions provided in RCW 28A.160.160.

33 (b) From July 1, 2017, to August 31, 2017, the superintendent
34 shall allocate funding to school districts programs for the
35 transportation of students as provided in section 505, chapter 4,
36 Laws of 2015 3rd sp. sess., as amended.

37 (3) Within amounts appropriated in this section, up to
38 \$10,000,000 of the general fund—state appropriation for fiscal year

1 2018 and up to \$10,000,000 of the general fund—state appropriation
2 for fiscal year 2019 are for a transportation alternate funding grant
3 program based on the alternate funding process established in RCW
4 28A.160.191. The superintendent of public instruction must include a
5 review of school district efficiency rating, key performance
6 indicators and local school district characteristics such as unique
7 geographic constraints in the grant award process.

8 (4) A maximum of \$913,000 of this fiscal year 2018 appropriation
9 and a maximum of (~~(\$937,000)~~) \$939,000 of the fiscal year 2019
10 appropriation may be expended for regional transportation
11 coordinators and related activities. The transportation coordinators
12 shall ensure that data submitted by school districts for state
13 transportation funding shall, to the greatest extent practical,
14 reflect the actual transportation activity of each district.

15 (5) The office of the superintendent of public instruction shall
16 provide reimbursement funding to a school district for school bus
17 purchases only after the superintendent of public instruction
18 determines that the school bus was purchased from the list
19 established pursuant to RCW 28A.160.195(2) or a comparable
20 competitive bid process based on the lowest price quote based on
21 similar bus categories to those used to establish the list pursuant
22 to RCW 28A.160.195.

23 (6) The superintendent of public instruction shall base
24 depreciation payments for school district buses on the presales tax
25 five-year average of lowest bids in the appropriate category of bus.
26 In the final year on the depreciation schedule, the depreciation
27 payment shall be based on the lowest bid in the appropriate bus
28 category for that school year.

29 (7) Funding levels in this section reflect waivers granted by the
30 state board of education for four-day school weeks as allowed under
31 RCW 28A.305.141.

32 (8) The office of the superintendent of public instruction shall
33 annually disburse payments for bus depreciation in August.

34 **Sec. 506.** 2017 3rd sp.s. c 1 s 507 (uncodified) is amended to
35 read as follows:

36 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SPECIAL EDUCATION**
37 **PROGRAMS**
38 General Fund—State Appropriation (FY 2018) (~~(\$956,055,000)~~)

1		<u>\$957,290,000</u>
2	General Fund—State Appropriation (FY 2019)	((\$989,284,000))
3		<u>\$942,937,000</u>
4	General Fund—Federal Appropriation	((\$470,673,000))
5		<u>\$479,663,000</u>
6	Education Legacy Trust Account—State Appropriation . . .	\$54,694,000
7	<u>Pension Funding Stabilization Account—State</u>	
8	<u>Appropriation</u>	<u>\$20,000</u>
9	TOTAL APPROPRIATION.	((\$2,470,706,000))
10		<u>\$2,434,604,000</u>

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

13 (1)(a) Funding for special education programs is provided on an
14 excess cost basis, pursuant to RCW 28A.150.390. School districts
15 shall ensure that special education students as a class receive their
16 full share of the general apportionment allocation accruing through
17 sections 502 and 504 of this act. To the extent a school district
18 cannot provide an appropriate education for special education
19 students under chapter 28A.155 RCW through the general apportionment
20 allocation, it shall provide services through the special education
21 excess cost allocation funded in this section.

22 (b) Funding provided within this section is sufficient for
23 districts to provide school principals and lead special education
24 teachers annual professional development on the best-practices for
25 special education instruction and strategies for implementation.
26 Districts shall annually provide a summary of professional
27 development activities to the office of the superintendent of public
28 instruction.

29 (2)(a) The superintendent of public instruction shall ensure
30 that:

31 (i) Special education students are basic education students
32 first;

33 (ii) As a class, special education students are entitled to the
34 full basic education allocation; and

35 (iii) Special education students are basic education students for
36 the entire school day.

37 (b) The superintendent of public instruction shall continue to
38 implement the full cost method of excess cost accounting, as designed

1 by the committee and recommended by the superintendent, pursuant to
2 section 501(1)(k), chapter 372, Laws of 2006.

3 (3) Each fiscal year appropriation includes such funds as are
4 necessary to complete the school year ending in the fiscal year and
5 for prior fiscal year adjustments.

6 (4)(a) For the 2017-18 and 2018-19 school years, the
7 superintendent shall allocate funding to school district programs for
8 special education students as provided in RCW 28A.150.390, except
9 that the calculation of the base allocation also includes allocations
10 provided under section 502 (2) and (4) of this act, which enhancement
11 is within the program of basic education.

12 (b) From July 1, 2017, to August 31, 2017, the superintendent
13 shall allocate funding to school district programs for special
14 education students as provided in section 507, chapter 4, Laws of
15 2015 3rd sp. sess., as amended.

16 (5) The following applies throughout this section: The
17 definitions for enrollment and enrollment percent are as specified in
18 RCW 28A.150.390(3). Each district's general fund—state funded special
19 education enrollment shall be the lesser of the district's actual
20 enrollment percent or 13.5 percent.

21 (6) At the request of any interdistrict cooperative of at least
22 15 districts in which all excess cost services for special education
23 students of the districts are provided by the cooperative, the
24 maximum enrollment percent shall be calculated in accordance with RCW
25 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate
26 rather than individual district units. For purposes of this
27 subsection, the average basic education allocation per full-time
28 equivalent student shall be calculated in the aggregate rather than
29 individual district units.

30 (7) ~~\$31,087,000~~ of the general fund—state appropriation for
31 fiscal year 2018, (~~(\$31,087,000)~~) \$35,952,000 of the general fund—
32 state appropriation for fiscal year 2019, and (~~(\$31,024,000)~~)
33 \$29,574,000 of the general fund—federal appropriation are provided
34 solely for safety net awards for districts with demonstrated needs
35 for special education funding beyond the amounts provided in
36 subsection (4) of this section. If the federal safety net awards
37 based on the federal eligibility threshold exceed the federal
38 appropriation in this subsection (7) in any fiscal year, the
39 superintendent shall expend all available federal discretionary funds

1 necessary to meet this need. At the conclusion of each school year,
2 the superintendent shall recover safety net funds that were
3 distributed prospectively but for which districts were not
4 subsequently eligible.

5 (a) For the 2017-18 and 2018-19 school years, safety net funds
6 shall be awarded by the state safety net oversight committee as
7 provided in (~~section 109(1) chapter 548, Laws of 2009 (ESHB 2261)~~)
8 RCW 28A.150.392. For the 2018-19 school year, the office of the
9 superintendent of public instruction shall lower the safety net
10 multiplier from 2.7 to no lower than 2.0. The criteria to determine
11 the change in the safety net multiplier must be determined in
12 consultation with the office of financial management and the fiscal
13 committees of the legislature as provided in WAC 392-140-60105.

14 (b) The office of the superintendent of public instruction shall
15 make award determinations for state safety net funding in August of
16 each school year, except that the superintendent of public
17 instruction shall make award determinations for state safety net
18 funding in July of each school year for the Washington state school
19 for the blind and for the center for childhood deafness and hearing
20 loss. Determinations on school district eligibility for state safety
21 net awards shall be based on analysis of actual expenditure data from
22 the current school year.

23 (8) A maximum of \$931,000 may be expended from the general fund—
24 state appropriations to fund 5.43 full-time equivalent teachers and
25 2.1 full-time equivalent aides at children's orthopedic hospital and
26 medical center. This amount is in lieu of money provided through the
27 home and hospital allocation and the special education program.

28 (9) The superintendent shall maintain the percentage of federal
29 flow-through to school districts at 85 percent. In addition to other
30 purposes, school districts may use increased federal funds for high-
31 cost students, for purchasing regional special education services
32 from educational service districts, and for staff development
33 activities particularly relating to inclusion issues.

34 (10) A school district may carry over from one year to the next
35 year up to 10 percent of the general fund—state funds allocated under
36 this program; however, carryover funds shall be expended in the
37 special education program.

38 (11) \$256,000 of the general fund—state appropriation for fiscal
39 year 2018 and (~~(\$256,000)~~) \$1,506,000 of the general fund—state

1 appropriation for fiscal year 2019 are provided solely for ((two
2 additional full-time equivalent staff to support the work of the
3 safety net committee and to provide training and support to districts
4 applying for safety net awards)) staff to support the work of the
5 safety net committee, to provide training and support to districts
6 applying for safety net awards, and to support compliance with the
7 federal every student succeeds act.

8 (12) \$50,000 of the general fund—state appropriation for fiscal
9 year 2018, \$50,000 of the general fund—state appropriation for fiscal
10 year 2019, and \$100,000 of the general fund—federal appropriation are
11 provided solely for a special education family liaison position
12 within the office of the superintendent of public instruction.

13 **Sec. 507.** 2017 3rd sp.s. c 1 s 508 (uncodified) is amended to
14 read as follows:

15 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE**
16 **DISTRICTS**

17	General Fund—State Appropriation (FY 2018)	. . . . .	((\$8,534,000))
18			<u>\$8,536,000</u>
19	General Fund—State Appropriation (FY 2019)	. . . . .	((\$8,558,000))
20			<u>\$10,181,000</u>
21	TOTAL APPROPRIATION.	. . . . .	((\$17,092,000))
22			<u>\$18,717,000</u>

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

25 (1) The educational service districts shall continue to furnish
26 financial services required by the superintendent of public
27 instruction and RCW 28A.310.190 (3) and (4).

28 (2) Funding within this section is provided for regional
29 professional development related to mathematics and science
30 curriculum and instructional strategies aligned with common core
31 state standards and next generation science standards. Funding shall
32 be distributed among the educational service districts in the same
33 proportion as distributions in the 2007-2009 biennium. Each
34 educational service district shall use this funding solely for salary
35 and benefits for a certificated instructional staff with expertise in
36 the appropriate subject matter and in professional development
37 delivery, and for travel, materials, and other expenditures related
38 to providing regional professional development support.

1 (3) The educational service districts, at the request of the
2 state board of education pursuant to RCW 28A.310.010 and 28A.305.130,
3 may receive and screen applications for school accreditation, conduct
4 school accreditation site visits pursuant to state board of education
5 rules, and submit to the state board of education post-site visit
6 recommendations for school accreditation. The educational service
7 districts may assess a cooperative service fee to recover actual plus
8 reasonable indirect costs for the purposes of this subsection.

9 (4) \$500,000 of the general fund—state appropriation for fiscal
10 year 2019 is provided solely for the educational service districts to
11 address statewide climate and environmental sustainability literacy
12 in all grades. Using research and best practices, the nine
13 educational service districts shall work together and engage
14 stakeholders to:

15 (a) Develop statewide professional learning in climate and
16 environmental sustainability that aligns with the educational
17 learning and academic requirements;

18 (b) Build frameworks for earth- and climate-focused science
19 lessons and activities that can translate between classroom-based and
20 outdoor learning environments;

21 (c) Create short formative classroom-based assessment tasks for
22 each of the elementary grade levels; and

23 (d) Expand the science fellows network to unserved school
24 districts.

25 **Sec. 508.** 2017 3rd sp.s. c 1 s 510 (uncodified) is amended to
26 read as follows:

27 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL**
28 **EDUCATION PROGRAMS**

29	General Fund—State Appropriation (FY 2018)	. . . . .	((\$13,565,000))
30			<u>\$14,028,000</u>
31	General Fund—State Appropriation (FY 2019)	. . . . .	((\$13,689,000))
32			<u>\$14,310,000</u>
33	TOTAL APPROPRIATION.	. . . . .	((\$27,254,000))
34			<u>\$28,338,000</u>

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

1 (1) Each general fund—state fiscal year appropriation includes
2 such funds as are necessary to complete the school year ending in the
3 fiscal year and for prior fiscal year adjustments.

4 (2) State funding provided under this section is based on
5 salaries and other expenditures for a 220-day school year. The
6 superintendent of public instruction shall monitor school district
7 expenditure plans for institutional education programs to ensure that
8 districts plan for a full-time summer program.

9 (3) State funding for each institutional education program shall
10 be based on the institution's annual average full-time equivalent
11 student enrollment. Staffing ratios for each category of institution
12 shall remain the same as those funded in the 1995-97 biennium.

13 (4) The funded staffing ratios for education programs for
14 juveniles age 18 or less in department of corrections facilities
15 shall be the same as those provided in the 1997-99 biennium.

16 (5) \$701,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$701,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely to maintain at least one
19 certificated instructional staff and related support services at an
20 institution whenever the K-12 enrollment is not sufficient to support
21 one full-time equivalent certificated instructional staff to furnish
22 the educational program. The following types of institutions are
23 included: Residential programs under the department of social and
24 health services for developmentally disabled juveniles, programs for
25 juveniles under the department of corrections, programs for juveniles
26 under the juvenile rehabilitation administration, and programs for
27 juveniles operated by city and county jails.

28 (6) Ten percent of the funds allocated for each institution may
29 be carried over from one year to the next.

30 **Sec. 509.** 2017 3rd sp.s. c 1 s 511 (uncodified) is amended to
31 read as follows:

32 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PROGRAMS FOR HIGHLY**
33 **CAPABLE STUDENTS**

34	General Fund—State Appropriation (FY 2018)	. . . . .	((\$21,265,000))
35			<u>\$21,381,000</u>
36	General Fund—State Appropriation (FY 2019)	. . . . .	((\$24,306,000))
37			<u>\$23,014,000</u>
38	TOTAL APPROPRIATION.	. . . . .	((\$45,571,000))

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

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) For the 2017-18 and 2018-19 school years, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c) except that allocations must be based on 5.0 percent of each school district's full-time equivalent enrollment. In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 4, Laws of 2015 3rd sp. sess., as amended.

(3) \$85,000 of the general fund—state appropriation for fiscal year 2018 and \$85,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the centrum program at Fort Worden state park.

Sec. 510. 2017 3rd sp.s. c 1 s 512 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR MISCELLANEOUS—EVERY STUDENT SUCCEEDS ACT	
General Fund—Federal Appropriation	((\$4,802,000))
	<u>\$5,802,000</u>

Sec. 511. 2017 3rd sp.s. c 1 s 513 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—EDUCATION REFORM PROGRAMS	
General Fund—State Appropriation (FY 2018)	((\$134,741,000))
	<u>\$134,359,000</u>

1	General Fund—State Appropriation (FY 2019)	. . . . .	((\$155,464,000))
2			<u>\$153,948,000</u>
3	General Fund—Federal Appropriation	. . . . .	((\$93,320,000))
4			<u>\$94,809,000</u>
5	General Fund—Private/Local Appropriation	. . . . .	((\$1,451,000))
6			<u>\$1,450,000</u>
7	Education Legacy Trust Account—State Appropriation	. . . . .	((\$1,619,000))
8			<u>\$1,618,000</u>
9	<u>Pension Funding Stabilization Account—State</u>		
10	<u>Appropriation</u>	. . . . .	<u>\$765,000</u>
11	TOTAL APPROPRIATION	. . . . .	((\$386,595,000))
12			<u>\$386,949,000</u>

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

15 (1) \$30,421,000 of the general fund—state appropriation for
16 fiscal year 2018, ((~~\$26,975,000~~)) \$26,980,000 of the general fund—
17 state appropriation for fiscal year 2019, \$1,350,000 of the education
18 legacy trust account—state appropriation, and \$15,868,000 of the
19 general fund—federal appropriation are provided solely for
20 development and implementation of the Washington state assessment
21 system.

22 (2) \$356,000 of the general fund—state appropriation for fiscal
23 year 2018 and \$356,000 of the general fund—state appropriation for
24 fiscal year 2019 are provided solely for the Washington state
25 leadership and assistance for science education reform (LASER)
26 regional partnership activities ((~~coordinated at the Pacific science~~
27 ~~center~~)), including instructional material purchases, teacher and
28 principal professional development, and school and community
29 engagement events.

30 (3) \$3,935,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$3,935,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for implementation of a new
33 performance-based evaluation for certificated educators and other
34 activities as provided in chapter 235, Laws of 2010 (education
35 reform) and chapter 35, Laws of 2012 (certificated employee
36 evaluations).

37 (4) ((~~\$62,672,000~~)) \$62,674,000 of the general fund—state
38 appropriation for fiscal year 2018 and ((~~\$82,665,000~~)) \$82,845,000 of
39 the general fund—state appropriation for fiscal year 2019 are

1 provided solely for the following bonuses for teachers who hold
2 valid, unexpired certification from the national board for
3 professional teaching standards and who are teaching in a Washington
4 public school, subject to the following conditions and limitations:

5 (a) For national board certified teachers, a bonus of \$5,296 per
6 teacher in the 2017-18 school year and a bonus of \$5,381 per teacher
7 in the 2018-19 school year;

8 (b) An additional \$5,000 annual bonus shall be paid to national
9 board certified teachers who teach in either: (A) High schools where
10 at least 50 percent of student headcount enrollment is eligible for
11 federal free or reduced-price lunch, (B) middle schools where at
12 least 60 percent of student headcount enrollment is eligible for
13 federal free or reduced-price lunch, or (C) elementary schools where
14 at least 70 percent of student headcount enrollment is eligible for
15 federal free or reduced-price lunch;

16 (c) The superintendent of public instruction shall adopt rules to
17 ensure that national board certified teachers meet the qualifications
18 for bonuses under (b) of this subsection for less than one full
19 school year receive bonuses in a prorated manner. All bonuses in this
20 subsection will be paid in July of each school year. Bonuses in this
21 subsection shall be reduced by a factor of 40 percent for first year
22 NBPTS certified teachers, to reflect the portion of the instructional
23 school year they are certified; and

24 (d) During the 2017-18 and 2018-19 school years, and within
25 available funds, certificated instructional staff who have met the
26 eligibility requirements and have applied for certification from the
27 national board for professional teaching standards may receive a
28 conditional loan of two thousand dollars or the amount set by the
29 office of the superintendent of public instruction to contribute
30 toward the current assessment fee, not including the initial up-front
31 candidacy payment. The fee shall be an advance on the first annual
32 bonus under RCW 28A.405.415. The conditional loan is provided in
33 addition to compensation received under a district's salary
34 allocation and shall not be included in calculations of a district's
35 average salary and associated salary limitation under RCW
36 28A.400.200. Recipients who fail to receive certification after three
37 years are required to repay the conditional loan. The office of the
38 superintendent of public instruction shall adopt rules to define the
39 terms for initial grant of the assessment fee and repayment,
40 including applicable fees. To the extent necessary, the

1 superintendent may use revenues from the repayment of conditional
2 loan scholarships to ensure payment of all national board bonus
3 payments required by this section in each school year.

4 (5) \$477,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$477,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for the leadership internship
7 program for superintendents, principals, and program administrators.

8 (6) \$950,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$950,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for the Washington reading
11 corps. The superintendent shall allocate reading corps members to
12 schools identified for comprehensive or targeted support and school
13 districts that are implementing comprehensive, proven, research-based
14 reading programs. Two or more schools may combine their Washington
15 reading corps programs.

16 (7) \$810,000 of the general fund—state appropriation for fiscal
17 year 2018 and \$810,000 of the general fund—state appropriation for
18 fiscal year 2019 are provided solely for the development of a
19 leadership academy for school principals and administrators. The
20 superintendent of public instruction shall contract with an
21 independent organization to operate a state-of-the-art education
22 leadership academy that will be accessible throughout the state.
23 Semiannually the independent organization shall report on amounts
24 committed by foundations and others to support the development and
25 implementation of this program. Leadership academy partners shall
26 include the state level organizations for school administrators and
27 principals, the superintendent of public instruction, the
28 professional educator standards board, and others as the independent
29 organization shall identify.

30 (8) \$3,000,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$3,000,000 of the general fund—state appropriation for
32 fiscal year 2019 are provided solely for a statewide information
33 technology (IT) academy program. This public-private partnership will
34 provide educational software, as well as IT certification and
35 software training opportunities for students and staff in public
36 schools.

37 (9) \$1,802,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$1,802,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for secondary career and

1 technical education grants pursuant to chapter 170, Laws of 2008. If
2 equally matched by private donations, \$825,000 of the 2018
3 appropriation and \$825,000 of the 2019 appropriation shall be used to
4 support FIRST robotics programs. Of the amounts in this subsection,
5 \$100,000 of the fiscal year 2018 appropriation and \$100,000 of the
6 fiscal year 2019 appropriation are provided solely for the purpose of
7 statewide supervision activities for career and technical education
8 student leadership organizations.

9 (10) \$125,000 of the general fund—state appropriation for fiscal
10 year 2018 and \$125,000 of the general fund—state appropriation for
11 fiscal year 2019 are provided solely for (a) staff at the office of
12 the superintendent of public instruction to coordinate and promote
13 efforts to develop integrated math, science, technology, and
14 engineering programs in schools and districts across the state; and
15 (b) grants of \$2,500 to provide twenty middle and high school
16 teachers each year with professional development training for
17 implementing integrated math, science, technology, and engineering
18 programs in their schools.

19 (11) \$135,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$135,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for science, technology,
22 engineering and mathematics lighthouse projects, consistent with
23 chapter 238, Laws of 2010.

24 (12) \$10,500,000 of the general fund—state appropriation for
25 fiscal year 2018 and \$10,500,000 of the general fund—state
26 appropriation for fiscal year 2019 are provided solely for a
27 beginning educator support program. The program shall prioritize
28 first year teachers in the mentoring program. School districts and/or
29 regional consortia may apply for grant funding. The program provided
30 by a district and/or regional consortia shall include: A paid
31 orientation; assignment of a qualified mentor; development of a
32 professional growth plan for each beginning teacher aligned with
33 professional certification; release time for mentors and new teachers
34 to work together; and teacher observation time with accomplished
35 peers. Funding may be used to provide statewide professional
36 development opportunities for mentors and beginning educators.

37 (13) \$250,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$250,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for advanced project lead the

1 way courses at ten high schools. To be eligible for funding in 2018,
2 a high school must have offered a foundational project lead the way
3 course during the 2016-17 school year. The 2018 funding must be used
4 for one-time start-up course costs for an advanced project lead the
5 way course, to be offered to students beginning in the 2017-18 school
6 year. To be eligible for funding in 2019, a high school must have
7 offered a foundational project lead the way course during the 2017-18
8 school year. The 2018 funding must be used for one-time start-up
9 course costs for an advanced project lead the way course, to be
10 offered to students beginning in the 2018-19 school year. The office
11 of the superintendent of public instruction and the education
12 research and data center at the office of financial management shall
13 track student participation and long-term outcome data.

14 (14) \$9,352,000 of the general fund—state appropriation for
15 fiscal year 2018 and \$14,352,000 of the general fund—state
16 appropriation for fiscal year 2019 are provided solely for
17 implementation of chapter 159, Laws of 2013. By January 15, 2018, the
18 superintendent of public instruction shall submit a plan to the
19 fiscal committees of the legislature outlining the additional school
20 accountability supports that will be implemented as a result of the
21 increased appropriation provided in fiscal year 2019. Of the amount
22 provided in this subsection, \$5,000,000 of the general fund—state
23 appropriation for fiscal year 2019 is provided solely for expenditure
24 contingent upon legislative approval of the superintendent's plan for
25 additional school accountability supports, and the superintendent may
26 not spend that amount until approval is received.

27 (15) \$450,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$450,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for annual start-up, expansion,
30 or maintenance of existing programs in aerospace and advanced
31 manufacturing programs. To be eligible for funding, the skills center
32 and high schools must agree to engage in developing local business
33 and industry partnerships for oversight and input regarding program
34 components. Program instructors must also agree to participate in
35 professional development leading to student employment, or
36 certification in aerospace or advanced manufacturing industries as
37 determined by the superintendent of public instruction. The office of
38 the superintendent of public instruction and the education research

1 and data center shall report annually student participation and long-
2 term outcome data.

3 (16) \$5,000,000 of the general fund—state appropriation for
4 fiscal year 2018 and \$4,000,000 of the general fund—state
5 appropriation for fiscal year 2019 are provided solely for the
6 provision of training for teachers in the performance-based teacher
7 principal evaluation program.

8 (17) \$100,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$100,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely to promote the financial
11 literacy of students. The effort will be coordinated through the
12 financial literacy public-private partnership.

13 (18) \$2,194,000 of the general fund—state appropriation for
14 fiscal year 2018 and (~~(\$2,194,000)~~) \$909,000 of the general fund—
15 state appropriation for fiscal year 2019 are provided solely to
16 implement chapter 18, Laws of 2013 2nd sp. sess. (Engrossed
17 Substitute Senate Bill No. 5946) (strengthening student educational
18 outcomes).

19 (19) \$36,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$36,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided solely for chapter 212, Laws of 2014
22 (Substitute Senate Bill No. 6074) (homeless student educational
23 outcomes).

24 (20) \$80,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$40,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for chapter 219, Laws of 2014
27 (Second Substitute Senate Bill No. 6163) (expanded learning).

28 (21) \$10,000 of the general fund—state appropriation for fiscal
29 year 2018 and \$10,000 of the general fund—state appropriation for
30 fiscal year 2019 are provided solely for chapter 102, Laws of 2014
31 (Senate Bill No. 6424) (biliteracy seal).

32 (22) \$500,000 of the general fund—state appropriation for fiscal
33 year 2018 and \$500,000 of the general fund—state appropriation for
34 fiscal year 2019 are provided solely for the office of the
35 superintendent of public instruction to contract with a nonprofit
36 organization to integrate the state learning standards in English
37 language arts, mathematics, and science with FieldSTEM outdoor field
38 studies and project-based and work-based learning opportunities

1 aligned with the environmental, natural resource, and agricultural
2 sectors.

3 (23) Within the amounts provided in this section, the
4 superintendent of public instruction shall obtain an existing student
5 assessment inventory tool that is free and openly licensed and
6 distribute the tool to every school district. Each school district
7 shall use the student assessment inventory tool to identify all
8 state-level and district-level assessments that are required of
9 students. The state-required assessments should include: Reading
10 proficiency assessments used for compliance with RCW 28A.320.202; the
11 required statewide assessments under chapter 28A.655 RCW in grades
12 three through eight and at the high school level in English language
13 arts, mathematics, and science, as well as the practice and training
14 tests used to prepare for them; and the high school end-of-course
15 exams in mathematics under RCW 28A.655.066. District-required
16 assessments should include: The second grade reading assessment used
17 to comply with RCW 28A.300.320; interim smarter balanced assessments,
18 if required; the measures of academic progress assessment, if
19 required; and other required interim, benchmark, or summative
20 standardized assessments, including assessments used in social
21 studies, the arts, health, and physical education in accordance with
22 RCW 28A.230.095, and for educational technology in accordance with
23 RCW 28A.655.075. The assessments identified should not include
24 assessments used to determine eligibility for any categorical program
25 including the transitional bilingual instruction program, learning
26 assistance program, highly capable program, special education
27 program, or any formative or diagnostic assessments used solely to
28 inform teacher instructional practices, other than those already
29 identified. By October 15th of each year, each district shall report
30 to the superintendent the amount of student time in the previous
31 school year that is spent taking each assessment identified. By
32 December 15th of each year, the superintendent shall summarize the
33 information reported by the school districts and report to the
34 education committees of the house of representatives and the senate.

35 (24) \$125,000 of the general fund—state appropriation for fiscal
36 year 2018 and \$125,000 of the general fund—state appropriation for
37 fiscal year 2019 are provided solely for contracts with nonprofit
38 organizations that provide direct services to children exclusively
39 through one-to-one volunteer mentoring. The mentor, student, and

1 parent must each receive monthly coaching from professional staff in
2 the first year and coaching every two months in subsequent years.

3 **Sec. 512.** 2017 3rd sp.s. c 1 s 514 (uncodified) is amended to
4 read as follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL**
6 **BILINGUAL PROGRAMS**

7	General Fund—State Appropriation (FY 2018)	. . . . .	((\$147,948,000))
8			<u>\$149,053,000</u>
9	General Fund—State Appropriation (FY 2019)	. . . . .	((\$157,744,000))
10			<u>\$149,038,000</u>
11	General Fund—Federal Appropriation	. . . . .	((\$92,244,000))
12			<u>\$97,241,000</u>
13	<u>Pension Funding Stabilization Account—State</u>		
14	<u>Appropriation.</u>	. . . . .	\$4,000
15	TOTAL APPROPRIATION.	. . . . .	((\$397,936,000))
16			<u>\$395,336,000</u>

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

19 (1) Each general fund fiscal year appropriation includes such
20 funds as are necessary to complete the school year ending in the
21 fiscal year and for prior fiscal year adjustments.

22 (2)(a) For the 2017-18 and 2018-19 school years, the
23 superintendent shall allocate funding to school districts for
24 transitional bilingual programs under RCW 28A.180.010 through
25 28A.180.080, including programs for exited students, as provided in
26 RCW 28A.150.260(10)(b) and the provisions of this section. In
27 calculating the allocations, the superintendent shall assume the
28 following averages: (i) Additional instruction of 4.7780 hours per
29 week per transitional bilingual program student in grades
30 kindergarten through six and 6.7780 hours per week per transitional
31 bilingual program student in grades seven through twelve in school
32 years 2017-18 and 2018-19; (ii) additional instruction of 3.0000
33 hours per week in school years 2017-18 and 2018-19 for the head count
34 number of students who have exited the transitional bilingual
35 instruction program within the previous two years based on their
36 performance on the English proficiency assessment; (iii) fifteen
37 transitional bilingual program students per teacher; (iv) 36
38 instructional weeks per year; (v) 900 instructional hours per

1 teacher; and (vi) the compensation rates as provided in sections 503
2 and 504 of this act. Pursuant to RCW 28A.180.040(1)(g), the
3 instructional hours specified in (a)(ii) of this subsection (2) are
4 within the program of basic education.

5 (b) From July 1, 2017, to August 31, 2017, the superintendent
6 shall allocate funding to school districts for transitional bilingual
7 instruction programs as provided in section 514, chapter 4, Laws of
8 2015, 3rd sp. sess., as amended.

9 (3) The superintendent may withhold allocations to school
10 districts in subsection (2) of this section solely for the central
11 provision of assessments as provided in RCW 28A.180.090 (1) and (2)
12 up to the following amounts: (~~(2.55)~~) 2.54 percent for school year
13 2017-18 and (~~(2.57)~~) 2.59 percent for school year 2018-19.

14 (4) The general fund—federal appropriation in this section is for
15 migrant education under Title I Part C and English language
16 acquisition, and language enhancement grants under Title III of the
17 elementary and secondary education act.

18 (5) \$35,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$35,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely to track current and former
21 transitional bilingual program students.

22 **Sec. 513.** 2017 3rd sp.s. c 1 s 515 (uncodified) is amended to
23 read as follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING**
25 **ASSISTANCE PROGRAM**

26	General Fund—State Appropriation (FY 2018)	. . . .	((\$326,233,000))
27			<u>\$321,637,000</u>
28	General Fund—State Appropriation (FY 2019)	. . . .	((\$355,633,000))
29			<u>\$330,005,000</u>
30	General Fund—Federal Appropriation	. . . . .	((\$505,487,000))
31			<u>\$519,484,000</u>
32	TOTAL APPROPRIATION.	. . . . .	((\$1,187,353,000))
33			<u>\$1,171,126,000</u>

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

36 (1) The general fund—state appropriations in this section are
37 subject to the following conditions and limitations:

1 (a) The appropriations include such funds as are necessary to
2 complete the school year ending in the fiscal year and for prior
3 fiscal year adjustments.

4 (b)(i) For the 2017-18 and 2018-19 school years, the
5 superintendent shall allocate funding to school districts for
6 learning assistance programs as provided in RCW 28A.150.260(10)(a),
7 except that the allocation for the additional instructional hours
8 shall be enhanced as provided in this section, which enhancements are
9 within the program of the basic education. In calculating the
10 allocations, the superintendent shall assume the following averages:

11 (A) Additional instruction of 2.3975 hours per week per funded
12 learning assistance program student for the 2017-18 and 2018-19
13 school years; (B) additional instruction of 1.1 hours per week per
14 funded learning assistance program student for the 2017-18 and
15 2018-19 school years in qualifying high-poverty school building; (C)
16 fifteen learning assistance program students per teacher; (D) 36
17 instructional weeks per year; (E) 900 instructional hours per
18 teacher; and (F) the compensation rates as provided in sections 503
19 and 504 of this act.

20 (ii) From July 1, 2017, to August 31, 2017, the superintendent
21 shall allocate funding to school districts for learning assistance
22 programs as provided in section 515, chapter 4, Laws of 2015, 3rd sp.
23 sess., as amended.

24 (c) A school district's funded students for the learning
25 assistance program shall be the sum of the district's full-time
26 equivalent enrollment in grades K-12 for the prior school year
27 multiplied by the district's percentage of October headcount
28 enrollment in grades K-12 eligible for free or reduced-price lunch in
29 the prior school year. The prior school year's October headcount
30 enrollment for free and reduced-price lunch shall be as reported in
31 the comprehensive education data and research system.

32 (2) Allocations made pursuant to subsection (1) of this section
33 shall be adjusted to reflect ineligible applications identified
34 through the annual income verification process required by the
35 national school lunch program, as recommended in the report of the
36 state auditor on the learning assistance program dated February,
37 2010.

38 (3) The general fund—federal appropriation in this section is
39 provided for Title I Part A allocations of the every student succeeds
40 act of 2016.

(4) A school district may carry over from one year to the next up to 10 percent of the general fund—state funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

(5) Within existing resources, during the 2017-18 and 2018-19 school years, school districts are authorized to use funds allocated for the learning assistance program to also provide assistance to high school students who have not passed the state assessment in science.

Sec. 514. 2017 3rd sp.s. c 1 s 516 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—PER PUPIL ALLOCATIONS

Statewide Average Allocations			
Per Annual Average Full-Time Equivalent Student			
Basic Education Program	2017-18	2018-19	
	School	School	
	Year	Year	
General Apportionment	\$7,038	(\$8,037)	<u>\$8,736</u>
Pupil Transportation	\$422	(\$485)	<u>\$527</u>
Special Education Programs	\$6,920	(\$7,875)	<u>\$8,532</u>
Institutional Education	\$13,476	(\$15,369)	<u>\$17,623</u>
Programs			
Programs for Highly Capable	\$455	(\$525)	<u>\$571</u>
Students			
Transitional Bilingual	\$1,024	(\$1,163)	<u>\$1,243</u>
Programs			
Learning Assistance Program	\$735	(\$849)	<u>\$923</u>

Sec. 515. 2017 3rd sp.s. c 1 s 518 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

1 (1) Amounts distributed to districts by the superintendent
2 through part V of this act are for allocations purposes only, unless
3 specified by part V of this act, and do not entitle a particular
4 district, district employee, or student to a specific service, beyond
5 what has been expressly provided in statute. Part V of this act
6 restates the requirements of various sections of Title 28A RCW. If
7 any conflict exists, the provisions of Title 28A RCW control unless
8 this act explicitly states that it is providing an enhancement. Any
9 amounts provided in part V of this act in excess of the amounts
10 required by Title 28A RCW provided in statute, are not within the
11 program of basic education unless clearly stated by this act.

12 (2) To the maximum extent practicable, when adopting new or
13 revised rules or policies relating to the administration of
14 allocations in part V of this act that result in fiscal impact, the
15 office of the superintendent of public instruction shall attempt to
16 seek legislative approval through the budget request process.

17 (3) Appropriations made in this act to the office of the
18 superintendent of public instruction shall initially be allotted as
19 required by this act. Subsequent allotment modifications shall not
20 include transfers of moneys between sections of this act except as
21 expressly provided in subsection (4) of this section.

22 (4) The appropriations to the office of the superintendent of
23 public instruction in this act shall be expended for the programs and
24 amounts specified in this act. However, after May 1, 2018, unless
25 specifically prohibited by this act and after approval by the
26 director of financial management, the superintendent of public
27 instruction may transfer state general fund appropriations for fiscal
28 year 2018 among the following programs to meet the apportionment
29 schedule for a specified formula in another of these programs:
30 General apportionment, employee compensation adjustments, pupil
31 transportation, special education programs, institutional education
32 programs, transitional bilingual programs, highly capable, and
33 learning assistance programs.

34 (5) The director of financial management shall notify the
35 appropriate legislative fiscal committees in writing prior to
36 approving any allotment modifications or transfers under this
37 section.

38 (6) As required by RCW 28A.710.110, the office of the
39 superintendent of public instruction shall transmit the charter

1 school authorizer oversight fee for the charter school commission to
2 the charter school oversight account.

3 **Sec. 516.** 2017 3rd sp.s. c 1 s 519 (uncodified) is amended to
4 read as follows:

5 **FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR**
6 **CHARTER SCHOOLS**

7 Washington Opportunity Pathways Account—State
8 Appropriation. ((~~\$62,713,000~~))
9 \$50,661,000

10 The appropriation in this section is subject to the following
11 conditions and limitations: The superintendent shall distribute
12 funding appropriated in this section to charter schools under chapter
13 28A.710 RCW. Within amounts provided in this section the
14 superintendent may distribute funding for safety net awards for
15 charter schools with demonstrated needs for special education funding
16 beyond the amounts provided under chapter 28A.710 RCW.

17 **Sec. 517.** 2017 3rd sp.s. c 1 s 520 (uncodified) is amended to
18 read as follows:

19 **FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE**
20 **WASHINGTON STATE CHARTER SCHOOL COMMISSION**

21 Washington Opportunity Pathways Account—State
22 Appropriation ((~~\$477,000~~))
23 \$864,000
24 Charter Schools Oversight Account—State Appropriation ((~~\$1,958,000~~))
25 \$1,572,000
26 TOTAL APPROPRIATION. ((~~\$2,435,000~~))
27 \$2,436,000

28 The appropriations in this section are subject to the following
29 conditions and limitations: The entire Washington opportunity
30 pathways account—state appropriation in this section is provided to
31 the superintendent of public instruction solely for the operations of
32 the Washington state charter school commission under chapter 28A.710
33 RCW.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2017 3rd sp.s. c 1 s 605 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund—State Appropriation (FY 2018)	(((\$662,672,000)))
	<u>\$628,892,000</u>
General Fund—State Appropriation (FY 2019)	(((\$668,368,000)))
	<u>\$630,057,000</u>
Community/Technical College Capital Projects	
Account—State Appropriation.	(((\$23,841,000)))
	<u>\$21,618,000</u>
Education Legacy Trust Account—State Appropriation	(((\$138,314,000)))
	<u>\$138,259,000</u>
<u>Pensions Funding Stabilization Account—State</u>	
<u>Appropriation.</u>	<u>\$67,897,000</u>
TOTAL APPROPRIATION.	(((\$1,493,195,000)))
	<u>\$1,486,723,000</u>

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

(1) \$33,261,000 of the general fund—state appropriation for fiscal year 2018 and \$33,261,000 of the general fund—state appropriation for fiscal year 2019 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 7,170 full-time equivalent students in fiscal year 2018 and at least 7,170 full-time equivalent students in fiscal year 2019.

(2) \$5,450,000 of the education legacy trust account—state appropriation is provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) \$425,000 of the general fund—state appropriation for fiscal year 2018 and \$425,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for Seattle central college's
2 expansion of allied health programs.

3 (4) \$5,250,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$5,250,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for the student achievement
6 initiative.

7 (5) \$1,610,000 of the general fund—state appropriation for fiscal
8 year 2018, and \$1,610,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for the expansion of the
10 mathematics, engineering, and science achievement program. The state
11 board shall report back to the appropriate committees of the
12 legislature on the number of campuses and students served by December
13 31, 2018.

14 (6)(a) \$1,500,000 of the general fund—state appropriation for
15 fiscal year 2018 and \$1,500,000 of the general fund—state
16 appropriation for fiscal year 2019 are provided solely for
17 implementation of ~~((guided pathways or similar programs designed to
18 improve student success, including, but not limited to, academic
19 program redesign, student advising, and other student supports))~~ the
20 guided pathways model. Guided pathways is an integrated, institution-
21 wide model designed to increase student retention and degree
22 completion. Initial planning efforts must include key elements of the
23 guided pathways model, including, but not limited to, mapping
24 programs of study to show a clear pathway to degree completion,
25 transfer degree, or employment; redesigned intake, orientation,
26 placement, and advising practices to assist students with enrollment
27 in program of study; program-specific student advising and ongoing
28 supports to promote student learning and persistence; and program-
29 level learning outcomes aligned with career and transfer
30 requirements.

31 (b) Within amounts appropriated in this section, each community
32 and technical college must begin initial planning to implement the
33 guided pathways model in the 2019-2021 biennium.

34 (7) \$1,500,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$1,500,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for operating a fabrication
37 composite wing incumbent worker training program to be housed at the
38 Washington aerospace training and research center.

1 (8) \$100,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$100,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for the aerospace center of
4 excellence currently hosted by Everett community college to:

5 (a) Increase statewide communications and outreach between
6 industry sectors, industry organizations, businesses, K-12 schools,
7 colleges, and universities;

8 (b) Enhance information technology to increase business and
9 student accessibility and use of the center's web site; and

10 (c) Act as the information entry point for prospective students
11 and job seekers regarding education, training, and employment in the
12 industry.

13 (9) (~~(\$18,588,000)~~) \$18,570,000 of the general fund—state
14 appropriation for fiscal year 2018 and \$18,960,000 of the general
15 fund—state appropriation for fiscal year 2019 are provided solely for
16 the implementation of the college affordability program as set forth
17 in RCW 28B.15.066.

18 (10) Community and technical colleges are not required to send
19 mass mailings of course catalogs to residents of their districts.
20 Community and technical colleges shall consider lower cost
21 alternatives, such as mailing postcards or brochures that direct
22 individuals to online information and other ways of acquiring print
23 catalogs.

24 (11) The state board for community and technical colleges shall
25 not use funds appropriated in this section to support intercollegiate
26 athletics programs.

27 (12) \$157,000 of the general fund—state appropriation for fiscal
28 year 2018 and \$157,000 of the general fund—state appropriation for
29 fiscal year 2019 are provided solely for the Wenatchee Valley college
30 wildfire prevention program.

31 (13) \$100,000 of the general fund—state appropriation for fiscal
32 year 2018 is provided solely for implementation of chapter 154, Laws
33 of 2017 (SSB 5022) (education loan information).

34 (14) \$185,000 of the general fund—state appropriation for fiscal
35 year 2018 and \$185,000 of the general fund—state appropriation for
36 fiscal year 2019 are provided solely for implementation of chapter
37 177, Laws of 2017 (SSB 5100) (financial literacy seminars).

38 (15) \$41,000 of the general fund—state appropriation for fiscal
39 year 2018 and \$42,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for implementation of chapter
2 98, Laws of 2017 (E2SHB 1375) (ctc course material costs).

3 (16) \$158,000 of the general fund—state appropriation for fiscal
4 year 2018 and \$5,000 of the general fund—state appropriation for
5 fiscal year 2019 are provided solely for implementation of chapter
6 237, Laws of 2017 (ESHB 1115) (paraeducators).

7 (17) \$150,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$150,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for program delivery through
10 Green River College to the Covington area and southeast King county
11 in response to the education needs assessment conducted by the
12 student achievement council in the 2015-2017 fiscal biennium.

13 (18) \$60,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$60,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for a youth development program
16 operated by Everett community college in conjunction with a county
17 chapter of a national civil rights organization.

18 (19) \$750,000 of the general fund—state appropriation for fiscal
19 year 2018 and \$750,000 of the general fund—state appropriation for
20 fiscal year 2019 are provided solely for increased enrollments in the
21 integrated basic education and skills training program. Funding will
22 support approximately 120 additional full-time equivalent enrollments
23 annually.

24 (20)(a) The state board must provide quality assurance reports on
25 the ctcLink project at the frequency directed by the office of chief
26 information officer for review and for posting on its information
27 technology project dashboard.

28 (b) The state board must develop a technology budget using a
29 method similar to the state capital budget, identifying project
30 costs, funding sources, and anticipated deliverables through each
31 stage of the investment and across fiscal periods and biennia from
32 project initiation to implementation. The budget must be updated at
33 the frequency directed by the office of chief information officer for
34 review and for posting on its information technology project
35 dashboard.

36 (c) The office of the chief information officer may suspend the
37 ctcLink project at any time if the office of the chief information
38 officer determines that the project is not meeting or is not expected
39 to meet anticipated performance measures, implementation timelines,

1 or budget estimates. Once suspension or termination occurs, the state
2 board shall not make additional expenditures on the ctcLink project
3 without approval of the chief information officer. The ctcLink
4 project funded through the community and technical college innovation
5 account created in RCW 28B.50.515 is subject to the conditions,
6 limitations, and review provided in section 724 of this act.

7 (21) \$150,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$150,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for the aerospace center of
10 excellence hosted by Everett Community College to develop an unmanned
11 aircraft system program in Sunnyside.

12 (22) \$31,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$125,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for work associated with the
15 career connected learning strategic plan in section 501(49) of this
16 act.

17 (23) \$338,000 of the general fund—state appropriation for fiscal
18 year 2019 is provided solely for the Washington state labor education
19 and research center at South Seattle College and the labor archives
20 of Washington.

21 **Sec. 602.** 2017 3rd sp.s. c 1 s 606 (uncodified) is amended to
22 read as follows:

23 **FOR THE UNIVERSITY OF WASHINGTON**

24	General Fund—State Appropriation (FY 2018)	. . . . .	(( \$336,712,000))
25			<u>\$308,405,000</u>
26	General Fund—State Appropriation (FY 2019)	. . . . .	(( \$353,811,000))
27			<u>\$321,168,000</u>
28	Aquatic Lands Enhancement Account—State Appropriation	. . . . .	\$1,350,000
29	UW Building Account—State Appropriation	. . . . .	\$1,052,000
30	Education Legacy Trust Account—State Appropriation	. . . . .	(( \$30,050,000))
31			<u>\$33,051,000</u>
32	Economic Development Strategic Reserve Account—State		
33	Appropriation	. . . . .	(( \$3,035,000))
34			<u>\$3,033,000</u>
35	Biotoxin Account—State Appropriation	. . . . .	(( \$597,000))
36			<u>\$596,000</u>
37	Dedicated Marijuana Account—State Appropriation		
38	(FY 2018)	. . . . .	\$247,000

1	Dedicated Marijuana Account—State Appropriation	
2	(FY 2019).	\$247,000
3	<u>Pension Funding Stabilization Account—State</u>	
4	<u>Appropriation.</u>	<u>\$51,068,000</u>
5	Accident Account—State Appropriation	((\$7,436,000))
6		<u>\$7,422,000</u>
7	Medical Aid Account—State Appropriation	((\$7,042,000))
8		<u>\$7,028,000</u>
9	<u>Geoduck Aquaculture Research Account—State</u>	
10	<u>Appropriation.</u>	<u>\$200,000</u>
11	TOTAL APPROPRIATION.	((\$741,579,000))
12		<u>\$734,867,000</u>

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

15 (1) \$52,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$52,000 of the general fund—state appropriation for
17 fiscal year 2019 are provided solely for the center for international
18 trade in forest products in the college of forest resources.

19 (2) ((~~\$38,581,000~~)) \$38,543,000 of the general fund—state
20 appropriation for fiscal year 2018 and \$39,353,000 of the general
21 fund—state appropriation for fiscal year 2019 are provided solely for
22 the implementation of the college affordability program as set forth
23 in RCW 28B.15.066.

24 (3) \$200,000 of the general fund—state appropriation for fiscal
25 year 2018 and \$200,000 of the general fund—state appropriation for
26 fiscal year 2019 are provided solely for labor archives of
27 Washington. The university shall work in collaboration with the state
28 board for community and technical colleges.

29 (4) \$8,000,000 of the education legacy trust account—state
30 appropriation is provided solely for the family medicine residency
31 network at the university to expand the number of residency slots
32 available in Washington.

33 (5) The university must continue work with the education research
34 and data center to demonstrate progress in computer science and
35 engineering enrollments. By September 1st of each year, the
36 university shall provide a report including but not limited to the
37 cost per student, student completion rates, and the number of low-
38 income students enrolled in each program, any process changes or
39 best-practices implemented by the university, and how many students

1 are enrolled in computer science and engineering programs above the
2 prior academic year.

3 (6) \$1,350,000 of the aquatic lands enhancement account—state is
4 provided solely for ocean acidification monitoring, forecasting, and
5 research and for operation of the Washington ocean acidification
6 center. By September 1, 2017, the center must provide a biennial work
7 plan and begin quarterly progress reports to the Washington marine
8 resources advisory council created under RCW 43.06.338.

9 (7) (~~(\$8,000,000)~~) \$11,000,000 of the education legacy trust
10 account—state appropriation is provided solely for the expansion of
11 degrees in the department of computer science and engineering at the
12 Seattle campus.

13 (8) \$1,000,000 of the general fund—state appropriation for fiscal
14 year 2018 and \$1,000,000 of the general fund—state appropriation for
15 fiscal year 2019 are provided solely for the university to increase
16 resident undergraduate enrollments in science, technology,
17 engineering, and math majors. The university is expected to increase
18 full-time equivalent enrollment by approximately 60 additional
19 students.

20 (9) \$3,000,000 of the economic development strategic reserve
21 account appropriation is provided solely to support the joint center
22 for aerospace innovation technology.

23 (10) The University of Washington shall not use funds
24 appropriated in this section to support intercollegiate athletics
25 programs.

26 (11) \$250,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$250,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for the Latino health center.

29 (12) \$200,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$200,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for the climate impacts group in
32 the college of the environment.

33 (13) \$8,400,000 of the general fund—state appropriation for
34 fiscal year 2018 and \$7,400,000 of the general fund—state
35 appropriation for fiscal year 2019 are provided solely for the
36 continued operations and expansion of the Washington, Wyoming,
37 Alaska, Montana, Idaho medical school program.

1 (14) \$3,200,000 of the general fund—state appropriation for
2 fiscal year 2019 is provided solely for the university to host the
3 Special Olympics USA Games in July 2018.

4 (15) \$5,000 of the general fund—state appropriation for fiscal
5 year 2018 and \$80,000 of the general fund—state appropriation for
6 fiscal year 2019 are provided solely for implementation of chapter
7 262, Laws of 2017 (E2SHB 1612) (lethal means, reduce access).

8 (16) \$400,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$400,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for a contract with the center
11 for sensorimotor neural engineering to advance research on spinal
12 cord injuries.

13 (17) \$2,250,000 of the general fund—state appropriation for
14 fiscal year 2018 and \$2,250,000 of the general fund—state
15 appropriation for fiscal year 2019 are provided solely for the
16 institute for stem cell and regenerative medicine. Funds appropriated
17 in this subsection must be dedicated to research utilizing
18 pluripotent stem cells and related research methods.

19 (18) \$500,000 of the general fund—state appropriation for fiscal
20 year 2018 and \$500,000 of the general fund—state appropriation for
21 fiscal year 2019 are provided to the University of Washington to
22 support youth and young adults experiencing homelessness in the
23 university district of Seattle. Funding is provided for the
24 university to work with community service providers and university
25 colleges and departments to plan for and implement a comprehensive
26 one-stop center with navigation services for homeless youth; the
27 university may contract with the department of commerce to expand
28 services that serve homeless youth in the university district.

29 (19) \$125,000 of the general fund—state appropriation for fiscal
30 year 2018 and \$125,000 of the general fund—state appropriation for
31 fiscal year 2019 are provided solely for the University of Washington
32 school of public health to study the air quality implications of air
33 traffic at the international airport in the state that has the
34 highest total annual number of arrivals and departures. The study
35 must include an assessment of the concentrations of ultrafine
36 particulate matter in areas surrounding and directly impacted by air
37 traffic generated by the airport, including areas within ten miles of
38 the airport in the directions of aircraft flight paths and within ten
39 miles of the airport where public agencies operate an existing air

1 monitoring station. The study must attempt to distinguish between
2 aircraft and other sources of ultrafine particulate matter, and must
3 compare concentrations of ultrafine particulate matter in areas
4 impacted by high volumes of air traffic with concentrations of
5 ultrafine particulate matter in areas that are not impacted by high
6 volumes of air traffic. The university must coordinate with local
7 governments in areas addressed by the study to share results and
8 inclusively solicit feedback from community members. By December 1,
9 2019, the university must report study findings, including any gaps
10 and uncertainties in health information associated with ultrafine
11 particulate matter, and recommend to the legislature whether
12 sufficient information is available to proceed with a second phase of
13 the study.

14 (20) The appropriations in this section include sufficient
15 funding for the implementation of chapter 154, Laws of 2017 (SSB
16 5022) (education loan information).

17 (21) The appropriations in this section include sufficient
18 funding for the implementation of chapter 177, Laws of 2017 (SSB
19 5100) (financial literacy seminars).

20 (22) Within the funds appropriated in this section, the
21 University of Washington shall:

22 (a) Review the scholarly literature on the short-term and long-
23 term effects of marijuana use to assess if other states or private
24 entities are conducting marijuana research in areas that may be
25 useful to the state.

26 (b) Provide as part of its budget request for the 2019-2021
27 biennium:

28 (i) A list of intended state, federal, and privately funded
29 marijuana research, including cost, duration, and scope; and

30 (ii) Plans for partnerships with other universities, state
31 agencies, or private entities, including entities outside the state,
32 for purposes related to researching short-term and long-term effects
33 of marijuana use.

34 (23) General fund—state appropriations in this section are
35 reduced to reflect a reduction in state-supported tuition waivers for
36 graduate students. When reducing tuition waivers, the university will
37 not change its practices and procedures for providing eligible
38 veterans with tuition waivers.

39 (24) \$45,000 of the general fund—state appropriation for fiscal
40 year 2018 is provided solely for the university to conduct research

1 and analysis of military officers who are attending or have completed
2 the command and general staff college, intermediate level education,
3 or advanced operations course as part of their military education.
4 The purpose of the research and analysis is to examine possible
5 graduate level degree programs to be offered in partnership with the
6 university and the U.S. army's command and general staff college. The
7 research and analysis shall include stakeholder meetings with the
8 U.S. army's command and general staff college. The university shall
9 submit a report to the appropriate legislative higher education
10 committees and the joint committee on veterans and military affairs
11 by December 31, 2018. The report shall include the results of the
12 research and analysis and plans for possible next steps with other
13 service schools for field grade officers.

14 (25)(a) \$140,000 of the general fund—state appropriation for
15 fiscal year 2018 is provided solely for the University of Washington
16 school of law to convene a study on the Washington state supreme
17 court decision *Volk v. DeMeerleer*, 386 P.3d 254 (Wash. 2016), and
18 whether or not it substantially changed the law on the duty of care
19 for mental health providers and whether it has had an impact on
20 access to mental health care services in the state. The study shall
21 include:

22 (i) Comprehensive review of duty to warn and duty to protect case
23 law and laws in the United States, including a description of how
24 Washington state's law compares to other states and to what extent,
25 if any, the Volk decision changed the law in this state;

26 (ii) Comprehensive review and assessment of the involuntary and
27 voluntary treatment capacity available in the state, including
28 information and data available from the select committee on quality
29 improvement in state hospitals, related contractors, and other
30 sources;

31 (iii) An analysis of lawsuits brought in the state as a result of
32 the Volk decision, including the outcome of any such cases and any
33 harm alleged in each lawsuit;

34 (iv) An analysis of lawsuits brought in the state prior to the
35 issuance of the Volk decision, and since the issuance of the decision
36 in *Petersen v. State*, against outpatient mental health providers
37 alleged to have breached either the duty to warn or the duty to take
38 reasonable precautions established in Petersen, including the outcome
39 of any such cases and the harm alleged in each lawsuit;

1 (v) An analysis of insurance claims filed as a result of the Volk
2 decision, including the outcome of any such cases and any harm
3 alleged in each claim filed;

4 (vi) Whether insurance policy provisions and rates have been
5 affected due to the Volk decision;

6 (vii) Assessment of the number of mental health service providers
7 available to provide treatment to voluntary mental health patients in
8 the state, whether that capacity has changed, and whether any such
9 change is a result of the Volk decision, and a description of any
10 changes as a result of the Volk decision;

11 (viii) Assessment of whether mental health service providers may
12 be changing practice to limit exposure to the potential risks created
13 by the Volk decision;

14 (ix) Assessment of legal and practice implications state legal
15 standards regarding duty to warn and duty to protect in the voluntary
16 and involuntary treatment context; and

17 (x) Comprehensive review of practices where the practice has been
18 consistently shown to have achieved the results it seeks to achieve
19 and that those results are superior to those achieved by other means.

20 (b) When performing the study under this subsection, the
21 University of Washington school of law shall consult with subject-
22 matter experts including, but not limited to, individuals
23 representing the following organizations:

24 (i) Attorneys with experience representing defendants in personal
25 injury cases or wrongful death cases related to the issues raised by
26 duty to warn cases;

27 (ii) Washington state association for justice, representing
28 attorneys with experience representing plaintiffs in personal injury
29 cases or wrongful death cases related to the issues raised by duty to
30 warn cases;

31 (iii) Department of social and health services;

32 (iv) Washington academy of family physicians;

33 (v) Washington association for mental health treatment
34 protection;

35 (vi) Office of the insurance commissioner;

36 (vii) Washington council for behavioral health;

37 (viii) Washington state hospital association;

38 (ix) Washington state medical association;

39 (x) Washington state psychiatric association;

40 (xi) Washington state psychological association;

- 1 (xii) Washington state society for clinical social work;
- 2 (xiii) Washington association of police chiefs and sheriffs;
- 3 (xiv) Victim support services;
- 4 (xv) NW health law advocates;
- 5 (xvi) National alliance on mental illness;
- 6 (xvii) American civil liberties union; and
- 7 (xviii) A sample of families who testified or presented evidence
- 8 of their cases to the legislature.

9 (c) The University of Washington school of law shall consult each
 10 listed organization separately. Following collection and analysis of
 11 relevant data, they shall hold at least one meeting of all listed
 12 organizations to discuss the data, analysis, and recommendations. The
 13 University of Washington school of law must submit the final report
 14 to the appropriate committees of the legislature by December 1, 2017.

15 (26) \$200,000 of the geoduck aquaculture research account—state
 16 appropriation is provided solely for the Washington sea grant program
 17 at the University of Washington to complete a three-year study to
 18 identify best management practices related to shellfish production.
 19 The University of Washington must submit an annual report detailing
 20 any findings and outline the progress of the study, consistent with
 21 RCW 43.01.036, to the office of the governor and the appropriate
 22 legislative committees by December 1 of each year.

23 **Sec. 603.** 2017 3rd sp.s. c 1 s 607 (uncodified) is amended to
 24 read as follows:

25 **FOR WASHINGTON STATE UNIVERSITY**

26	General Fund—State Appropriation (FY 2018)	. . . . .	((\$215,329,000))
27			<u>\$200,348,000</u>
28	General Fund—State Appropriation (FY 2019)	. . . . .	((\$227,266,000))
29			<u>\$211,589,000</u>
30	WSU Building Account—State Appropriation.	. . . . .	\$792,000
31	<u>Pension Funding Stabilization Account—State</u>		
32	<u>Appropriation.</u>	. . . . .	<u>\$30,983,000</u>
33	Education Legacy Trust Account—State Appropriation	. . . . .	\$33,995,000
34	Dedicated Marijuana Account—State Appropriation		
35	(FY 2018)	. . . . .	\$138,000
36	Dedicated Marijuana Account—State Appropriation		
37	(FY 2019)	. . . . .	\$138,000
38	TOTAL APPROPRIATION.	. . . . .	((\$477,658,000))

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

(1) \$90,000 of the general fund—state appropriation for fiscal year 2018 and \$90,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a rural economic development and outreach coordinator.

(2) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(3) \$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.

(4) Washington State University shall not use funds appropriated in this section to support intercollegiate athletic programs.

(5) The appropriations in this section include sufficient funding for the implementation of chapter 154, Laws of 2017 (SSB 5022) (education loan information).

(6) The appropriations in this section include sufficient funding for the implementation of chapter 177, Laws of 2017 (SSB 5100) (financial literacy seminars).

(7) \$3,000,000 of the general fund—state appropriation for fiscal year 2018 and \$7,000,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the continued development and operations of a medical school program in Spokane.

(8) Within the funds appropriated in this section, Washington State University is required to provide administrative support to the sustainable aviation biofuels work group authorized under RCW 28B.30.904.

(9) \$135,000 of the general fund—state appropriation for fiscal year 2018 and \$135,000 of the general fund—state appropriation for

1 fiscal year 2019 are provided solely for a honey bee biology research
2 position.

3 (10) (~~(\$27,425,000)~~) \$27,398,000 of the general fund—state
4 appropriation for fiscal year 2018 and \$27,973,000 of the general
5 fund—state appropriation for fiscal year 2019 are provided solely for
6 the implementation of the college affordability program as set forth
7 in RCW 28B.15.066.

8 (11) \$230,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$376,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for chapter 202, Laws of 2017
11 (2SHB 1713) (children's mental health).

12 (12) \$300,000 of the general fund—state appropriation for fiscal
13 year 2018 and \$300,000 of the general fund—state appropriation for
14 fiscal year 2019 are provided solely for the William D. Ruckelshaus
15 center to collaborate with groups and organizations, including
16 associations of local governments, associations of the business, real
17 estate and building industries, state agencies, environmental
18 organizations, state universities, public health and planning
19 organizations, and tribal governments, to create a "Road Map to
20 Washington's Future." The road map shall identify areas of agreement
21 on ways to adapt Washington's growth management framework of
22 statutes, institutions, and policies to meet future challenges in
23 view of robust forecasted growth and the unique circumstances and
24 urgent priorities in the diverse regions of the state. The center
25 shall, in conjunction with state universities and other sponsors,
26 conduct regional workshops to:

27 (a) Engage Washington residents in identifying a desired
28 statewide vision for Washington's future;

29 (b) Partner with state universities on targeted research to
30 inform future alternatives;

31 (c) Facilitate deep and candid interviews with representatives of
32 the above named groups and organizations; and

33 (d) Convene parties for collaborative conversations and potential
34 agreement seeking.

35 The center must submit a final report to the appropriate committees
36 of the legislature by June 30, 2019.

37 (13) \$580,000 of the general fund—state appropriation for fiscal
38 year 2018 and \$580,000 of the general fund—state appropriation for
39 fiscal year 2019 are provided solely for the development of an

1 organic agriculture systems degree program located at the university
2 center in Everett.

3 (14) Within the funds appropriated in this section, Washington
4 State University shall:

5 (a) Review the scholarly literature on the short-term and long-
6 term effects of marijuana use to assess if other states or private
7 entities are conducting marijuana research in areas that may be
8 useful to the state.

9 (b) Provide as part of its budget request for the 2019-2021
10 fiscal biennium:

11 (i) A list of intended state, federal, and privately funded
12 marijuana research, including cost, duration, and scope;

13 (ii) Plans for partnerships with other universities, state
14 agencies, or private entities, including entities outside the state,
15 for purposes related to researching short-term and long-term effects
16 of marijuana use.

17 (15) \$760,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$760,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for implementation of chapter
20 159, Laws of 2017 (2SSB 5474) (elk hoof disease).

21 (16) \$630,000 of the general fund—state appropriation for fiscal
22 2018 and \$630,000 of the general fund—state appropriation for fiscal
23 year 2019 are provided solely for the creation of an electrical
24 engineering program located in Bremerton. At full implementation, the
25 university is expected to increase degree production by 25 new
26 bachelor's degrees per year. The university must identify these
27 students separately when providing data to the education research
28 data center as required in subsection (2) of this section.

29 (17) \$1,370,000 of the general fund—state appropriation for
30 fiscal year 2018 and \$1,370,000 of the general fund—state
31 appropriation for fiscal year 2019 are provided solely for the
32 creation of software engineering and data analytic programs at the
33 university center in Everett. At full implementation, the university
34 is expected to enroll 50 students per academic year. The university
35 must identify these students separately when providing data to the
36 education research data center as required in subsection (2) of this
37 section.

38 (18) General fund—state appropriations in this section are
39 reduced to reflect a reduction in state-supported tuition waivers for

1 graduate students. When reducing tuition waivers, the university will
2 not change its practices and procedures for providing eligible
3 veterans with tuition waivers.

4 (19) \$500,000 of the general fund—state appropriation for fiscal
5 year 2019 is provided solely for the joint center for deployment and
6 research in earth abundant materials.

7 (20) \$768,000 of the general fund—state appropriation for fiscal
8 year 2018 and \$504,000 of the general fund—state appropriation for
9 fiscal year 2019 are provided solely for implementation of chapter
10 36, Laws of 2017 3rd sp. sess. (renewable energy, tax incentives).

11 **Sec. 604.** 2017 3rd sp.s. c 1 s 608 (uncodified) is amended to
12 read as follows:

13 **FOR EASTERN WASHINGTON UNIVERSITY**

14 General Fund—State Appropriation (FY 2018)	((\$50,064,000))
15	<u>\$50,145,000</u>
16 General Fund—State Appropriation (FY 2019)	((\$51,985,000))
17	<u>\$51,781,000</u>
18 Education Legacy Trust Account—State Appropriation . . .	\$16,598,000
19 TOTAL APPROPRIATION.	((\$118,647,000))
20	<u>\$118,524,000</u>

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

23 (1) At least \$200,000 of the general fund—state appropriation for
24 fiscal year 2018 and at least \$200,000 of the general fund—state
25 appropriation for fiscal year 2019 must be expended on the Northwest
26 autism center.

27 (2) The university must continue work with the education research
28 and data center to demonstrate progress in computer science and
29 engineering enrollments. By September 1st of each year, the
30 university shall provide a report including but not limited to the
31 cost per student, student completion rates, and the number of low-
32 income students enrolled in each program, any process changes or
33 best-practices implemented by the university, and how many students
34 are enrolled in computer science and engineering programs above the
35 prior academic year.

36 (3) Eastern Washington University shall not use funds
37 appropriated in this section to support intercollegiate athletics
38 programs.

1 (4) (~~(\$9,851,000)~~) \$9,841,000 of the general fund—state
2 appropriation for fiscal year 2018 and \$10,048,000 of the general
3 fund—state appropriation for fiscal year 2019 are provided solely for
4 the implementation of the college affordability program as set forth
5 in RCW 28B.15.066.

6 (5) The appropriations in this section include sufficient funding
7 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
8 (education loan information).

9 (6) The appropriations in this section include sufficient funding
10 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
11 (financial literacy seminars).

12 (7) Within amounts appropriated in this section, the university
13 is encouraged to increase the number of tenure-track positions
14 created and hired.

15 **Sec. 605.** 2017 3rd sp.s. c 1 s 609 (uncodified) is amended to
16 read as follows:

17 **FOR CENTRAL WASHINGTON UNIVERSITY**

18	General Fund—State Appropriation (FY 2018)	(\$49,969,000)
19		<u>\$48,063,000</u>
20	General Fund—State Appropriation (FY 2019)	(\$52,303,000)
21		<u>\$50,031,000</u>
22	CWU Capital Projects Account—State Appropriation.	\$76,000
23	Education Legacy Trust Account—State Appropriation	\$19,076,000
24	<u>Pension Funding Stabilization Account—State</u>	
25	<u>Appropriation.</u>	<u>\$3,921,000</u>
26	TOTAL APPROPRIATION.	(\$121,424,000)
27		<u>\$121,167,000</u>

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

30 (1) The university must continue work with the education research
31 and data center to demonstrate progress in engineering enrollments.
32 By September 1st of each year, the university shall provide a report
33 including but not limited to the cost per student, student completion
34 rates, and the number of low-income students enrolled in each
35 program, any process changes or best-practices implemented by the
36 university, and how many students are enrolled in engineering
37 programs above the prior academic year.

1 (2) Central Washington University shall not use funds
2 appropriated in this section to support intercollegiate athletics
3 programs.

4 (3) (~~(\$11,104,000)~~) \$11,093,000 of the general fund—state
5 appropriation for fiscal year 2018 and \$11,326,000 of the general
6 fund—state appropriation for fiscal year 2019 are provided solely for
7 the implementation of the college affordability program as set forth
8 in RCW 28B.15.066.

9 (4) The appropriations in this section include sufficient funding
10 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
11 (education loan information).

12 (5) The appropriations in this section include sufficient funding
13 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
14 (financial literacy seminars).

15 (6) Within amounts appropriated in this section, the university
16 is encouraged to increase the number of tenure-track positions
17 created and hired.

18 **Sec. 606.** 2017 3rd sp.s. c 1 s 610 (uncodified) is amended to
19 read as follows:

20 **FOR THE EVERGREEN STATE COLLEGE**

21	General Fund—State Appropriation (FY 2018)	. . . . .	((\$26,543,000))
22			<u>\$26,563,000</u>
23	General Fund—State Appropriation (FY 2019)	. . . . .	((\$27,146,000))
24			<u>\$27,274,000</u>
25	TESC Capital Projects Account—State Appropriation.	. . . . .	\$80,000
26	<u>Pension Funding Stabilization Account—State Appropriation.</u>	. . . . .	<u>\$2,000</u>
27	Education Legacy Trust Account—State Appropriation	. . . . .	\$5,450,000
28	(Liquor Revolving Account—State Appropriation.	. . . . .	\$250,000)
29	TOTAL APPROPRIATION.	. . . . .	((\$59,469,000))
30			<u>\$59,369,000</u>

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

33 (1) (~~(\$3,377,000)~~) \$3,374,000 of the general fund—state
34 appropriation for fiscal year 2018 and \$3,445,000 of the general fund
35 —state appropriation for fiscal year 2019 are provided solely for the
36 implementation of the college affordability program as set forth in
37 RCW 28B.15.066.

1 (2) Funding provided in this section is sufficient for The
2 Evergreen State College to continue operations of the Longhouse
3 Center and the Northwest Indian applied research institute.

4 (3) Notwithstanding other provisions in this section, the board
5 of directors for the Washington state institute for public policy may
6 adjust due dates for projects included on the institute's 2017-19
7 work plan as necessary to efficiently manage workload.

8 (4) The Evergreen State College shall not use funds appropriated
9 in this section to support intercollegiate athletics programs.

10 (5) \$33,000 of the general fund—state appropriation for fiscal
11 year 2018 and (~~(\$65,000)~~) \$95,000 of the general fund—state
12 appropriation for fiscal year 2019 are provided solely for
13 implementation of chapter 265, Laws of 2017 (SHB 1867) (ext. foster
14 care transitions).

15 (6) \$62,000 of the general fund—state appropriation for fiscal
16 year 2018 are provided solely for implementation of chapter 237, Laws
17 of 2017 (ESHB 1115) (paraeducators).

18 (7) \$17,000 of the general fund—state appropriation for fiscal
19 year 2018 and (~~(\$34,000)~~) \$41,000 of the general fund—state
20 appropriation for fiscal year 2019 are provided solely for the
21 Washington institute for public policy to conduct a study regarding
22 the implementation of certain aspects of the involuntary treatment
23 act, pursuant to chapter 29, Laws of 2016, sp. sess. (E3SHB 1713).

24 (8) The appropriations in this section include sufficient funding
25 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
26 (education loan information).

27 (9) The appropriations in this section include sufficient funding
28 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
29 (financial literacy seminars).

30 (10) \$72,000 of the general fund—state appropriation for fiscal
31 year 2018 and \$43,000 of the general fund—state appropriation for
32 fiscal year 2019 is provided solely for the Washington institute for
33 public policy to update its previous meta-analysis on the effect of
34 the national board for professional teaching standards certification
35 on student outcomes by December 15, 2018. The institute shall also
36 report on the following:

37 (a) Does the certification improve teacher retention in
38 Washington state?;

1 (b) Has the additional bonus provided under RCW 28A.405.415 to
2 certificated instructional staff who have attained national board
3 certification to work in high poverty schools acted as an incentive
4 for such teachers to actually work in high poverty schools?; and

5 (c) Have other states provided similar incentives to achieve a
6 more equitable distribution of staff with national board
7 certification?

8 (11) \$122,000 of the general fund—state appropriation for fiscal
9 year 2018 and (~~(\$40,000)~~) \$141,000 of the general fund—state
10 appropriation for fiscal year 2019 are provided solely for the
11 implementation of chapter 244, Laws of 2015 (college bound).

12 (12) \$1,000 of the general fund—state appropriation for fiscal
13 year 2018 and (~~(\$1,000)~~) \$7,000 of the general fund—state
14 appropriation for fiscal year 2019 are provided solely for the
15 implementation of chapter 7, Laws of 2015, 3rd sp.s. (early start
16 act).

17 (~~(+14)~~) (13) Within amounts appropriated in this section, the
18 college is encouraged to increase the number of tenure-track
19 positions created and hired.

20 (~~(+15)~~) (14) \$16,000 of the general fund—state appropriation for
21 fiscal year 2018 and (~~(\$22,000)~~) \$50,000 of the general fund—state
22 appropriation for fiscal year 2019 are provided solely for
23 implementation of Engrossed Substitute Senate Bill No. 5890 (foster
24 care and adoption). If the bill is not enacted by July 31, 2017, the
25 amounts provided in this subsection shall lapse.

26 (15) \$48,000 of the general fund—state appropriation for fiscal
27 year 2018 and \$51,000 of the general fund—state appropriation for
28 fiscal year 2019 are provided solely for implementation of chapter
29 205, Laws of 2016 (2SHB 2449) (truancy reduction).

30 **Sec. 607.** 2017 3rd sp.s. c 1 s 611 (uncodified) is amended to
31 read as follows:

32 **FOR WESTERN WASHINGTON UNIVERSITY**

33 General Fund—State Appropriation (FY 2018)	((\$70,456,000))
34	<u>\$70,373,000</u>
35 General Fund—State Appropriation (FY 2019)	((\$72,950,000))
36	<u>\$72,446,000</u>
37 Education Legacy Trust Account—State Appropriation . . .	\$13,831,000
38 Western Washington University Capital Projects	

1	Account—State Appropriation (FY 2018).	\$771,000
2	Western Washington University Capital Projects Account—State	
3	Appropriation (FY 2019).	\$712,000
4	TOTAL APPROPRIATION.	((\$158,720,000))
5		<u>\$158,133,000</u>

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

8 (1) The university must continue work with the education research
9 and data center to demonstrate progress in computer science and
10 engineering enrollments. By September 1st of each year, the
11 university shall provide a report including but not limited to the
12 cost per student, student completion rates, and the number of low-
13 income students enrolled in each program, any process changes or
14 best-practices implemented by the university, and how many students
15 are enrolled in computer science and engineering programs above the
16 prior academic year.

17 (2) \$630,000 of the general fund—state appropriation for fiscal
18 year 2018 and \$630,000 of the general fund—state appropriation for
19 fiscal year 2019 are provided solely for the computer and information
20 systems security program located at Olympic college - Poulsbo. The
21 university is expected to enroll 30 students each academic year
22 beginning in fiscal year 2017. The university must identify these
23 students separately when providing data to the educational data
24 centers as required in (1) of this section.

25 (3) Western Washington University shall not use funds
26 appropriated in this section to support intercollegiate athletics
27 programs.

28 (4) ~~((\$15,326,000))~~ \$15,311,000 of the general fund—state
29 appropriation for fiscal year 2018 and \$15,632,000 of the general
30 fund—state appropriation for fiscal year 2019 are provided solely for
31 the implementation of the college affordability program as set forth
32 in RCW 28B.15.066.

33 (5) The appropriations in this section include sufficient funding
34 for the implementation of chapter 154, Laws of 2017 (SSB 5022)
35 (education loan information).

36 (6) The appropriations in this section include sufficient funding
37 for the implementation of chapter 177, Laws of 2017 (SSB 5100)
38 (financial literacy seminars).

1 (7) \$500,000 of the general fund—state appropriation for fiscal
2 year 2018 and \$500,000 of the general fund—state appropriation for
3 fiscal year 2019 are provided solely for programs or initiatives
4 designed to improve student academic success and increase degree
5 completion.

6 (8) Within amounts appropriated in this section, the university
7 is encouraged to increase the number of tenure-track positions
8 created and hired.

9 **Sec. 608.** 2017 3rd sp.s. c 1 s 612 (uncodified) is amended to
10 read as follows:

11 **FOR THE STUDENT ACHIEVEMENT COUNCIL—POLICY COORDINATION AND**
12 **ADMINISTRATION**

13	General Fund—State Appropriation (FY 2018)	. . . . .	((\$5,640,000))
14			<u>\$5,374,000</u>
15	General Fund—State Appropriation (FY 2019)	. . . . .	((\$5,791,000))
16			<u>\$5,632,000</u>
17	General Fund—Federal Appropriation	. . . . .	((\$4,892,000))
18			<u>\$4,890,000</u>

19 Pension Funding Stabilization Account—State

20	<u>Appropriation.</u>	. . . . .	<u>\$535,000</u>
21	TOTAL APPROPRIATION.	. . . . .	((\$16,323,000))
22			<u>\$16,431,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations: \$20,000 of the general fund—state
25 appropriation for fiscal year 2018 is provided solely for
26 administrative costs to implement the expansion of the college bound
27 scholarship program for foster youth, pursuant to Engrossed
28 Substitute Senate Bill No. 5890 (foster care and adoption). If the
29 bill is not enacted by July 31, 2017, the amount provided in this
30 subsection shall lapse.

31 **Sec. 609.** 2017 3rd sp.s. c 1 s 613 (uncodified) is amended to
32 read as follows:

33 **FOR THE STUDENT ACHIEVEMENT COUNCIL—OFFICE OF STUDENT FINANCIAL**
34 **ASSISTANCE**

35	General Fund—State Appropriation (FY 2018)	. . . . .	((\$238,397,000))
36			<u>\$238,388,000</u>
37	General Fund—State Appropriation (FY 2019)	. . . . .	((\$242,726,000))

1		<u>\$243,716,000</u>
2	General Fund—Federal Appropriation	((\$11,906,000))
3		<u>\$11,902,000</u>
4	General Fund—Private/Local Appropriation	\$300,000
5	Education Legacy Trust Account—State Appropriation	((\$99,955,000))
6		<u>\$112,755,000</u>
7	WA Opportunity Pathways Account—State Appropriation ((\$117,389,000))	
8		<u>\$116,468,000</u>
9	Aerospace Training Student Loan Account—State	
10	Appropriation	\$208,000
11	<u>Pension Funding Stabilization Account—State</u>	
12	<u>Appropriation.</u>	<u>\$18,000</u>
13	Health Professionals Loan Repayment and Scholarship	
14	Program Account—State Appropriation	\$4,720,000
15	TOTAL APPROPRIATION.	((\$715,601,000))
16		<u>\$728,475,000</u>

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

19 (1) \$229,157,000 of the general fund—state appropriation for
20 fiscal year 2018, \$233,928,000 of the general fund—state
21 appropriation for fiscal year 2019, \$69,376,000 of the education
22 legacy trust account—state appropriation, and \$88,000,000 of the
23 Washington opportunity pathways account—state appropriation are
24 provided solely for student financial aid payments under the state
25 need grant and state work study programs, including up to four
26 percent administrative allowance for the state work study program.

27 (2)(a) For the 2017-2019 fiscal biennium, state need grant awards
28 given to private for-profit institutions shall be the same amount as
29 the prior year.

30 (b) For the 2017-2019 fiscal biennium, grant awards given to
31 private four-year not-for-profit institutions shall be set at the
32 same level as the average grant award for public research
33 universities. Increases in awards given to private four-year not-for-
34 profit institutions shall align with annual tuition increases for
35 public research institutions.

36 (3) Changes made to the state work study program in the 2009-2011
37 and 2011-2013 fiscal biennia are continued in the 2017-2019 fiscal
38 biennium including maintaining the increased required employer share
39 of wages; adjusted employer match rates; discontinuation of

1 nonresident student eligibility for the program; and revising
2 distribution methods to institutions by taking into consideration
3 other factors such as off-campus job development, historical
4 utilization trends, and student need.

5 (4) Within the funds appropriated in this section, eligibility
6 for the state need grant includes students with family incomes at or
7 below 70 percent of the state median family income (MFI), adjusted
8 for family size, and shall include students enrolled in three to five
9 credit-bearing quarter credits, or the equivalent semester credits.
10 Awards for students with incomes between 51 and 70 percent of the
11 state median shall be prorated at the following percentages of the
12 award amount granted to those with incomes below 51 percent of the
13 MFI: 70 percent for students with family incomes between 51 and 55
14 percent MFI; 65 percent for students with family incomes between 56
15 and 60 percent MFI; 60 percent for students with family incomes
16 between 61 and 65 percent MFI; and 50 percent for students with
17 family incomes between 66 and 70 percent MFI.

18 (5) Of the amounts provided in subsection (1) of this section,
19 \$100,000 of the general fund—state appropriation for fiscal year 2018
20 and \$100,000 of the general fund—state appropriation for fiscal year
21 2019 are provided for the council to process an alternative financial
22 aid application system pursuant to RCW 28B.92.010.

23 (6) Students who are eligible for the college bound scholarship
24 shall be given priority for the state need grant program. These
25 eligible college bound students whose family incomes are in the 0-65
26 percent median family income ranges must be awarded the maximum state
27 need grant for which they are eligible under state policies and may
28 not be denied maximum state need grant funding due to institutional
29 policies or delayed awarding of college bound scholarship students.
30 The council shall provide directions to institutions to maximize the
31 number of college bound scholarship students receiving the maximum
32 state need grant for which they are eligible with a goal of 100
33 percent coordination. Institutions shall identify all college bound
34 scholarship students to receive state need grant priority. If an
35 institution is unable to identify all college bound scholarship
36 students at the time of initial state aid packaging, the institution
37 should reserve state need grant funding sufficient to cover the
38 projected enrollments of college bound scholarship students.

1 (7) \$15,849,000 of the education legacy trust account—state
2 appropriation and (~~(\$29,389,000)~~) \$28,468,000 of the Washington
3 opportunity pathways account—state appropriation are provided solely
4 for the college bound scholarship program and may support
5 scholarships for summer session.

6 (8) \$2,236,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$2,236,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for the passport to college
9 program. The maximum scholarship award is up to \$5,000. The council
10 shall contract with a nonprofit organization to provide support
11 services to increase student completion in their postsecondary
12 program and shall, under this contract, provide a minimum of \$500,000
13 in fiscal years 2018 and 2019 for this purpose.

14 (9) (~~(\$14,730,000)~~) \$27,530,000 of the education legacy trust
15 account—state appropriation is provided solely to meet state match
16 requirements associated with the opportunity scholarship program. The
17 legislature will evaluate subsequent appropriations to the
18 opportunity scholarship program based on the extent that additional
19 private contributions are made, program spending patterns, and fund
20 balance.

21 (10) \$2,325,000 of the general fund—state appropriation for
22 fiscal year 2018 and \$2,325,000 of the general fund—state
23 appropriation for fiscal year 2019 are provided solely for
24 expenditure into the health professionals loan repayment and
25 scholarship program account. These amounts and \$4,720,000
26 appropriated from the health professionals loan repayment and
27 scholarship program account must be used to increase the number of
28 licensed primary care health professionals to serve in licensed
29 primary care health professional critical shortage areas. The office
30 of student financial assistance and the department of health shall
31 prioritize a portion of any nonfederal balances in the health
32 professional loan repayment and scholarship fund for conditional loan
33 repayment contracts with psychiatrists and with advanced registered
34 nurse practitioners for work at one of the state-operated psychiatric
35 hospitals. The office and department shall designate the state
36 hospitals as health professional shortage areas if necessary for this
37 purpose. The office shall coordinate with the department of social
38 and health services to effectively incorporate three conditional loan
39 repayments into the department's advanced psychiatric professional

1 recruitment and retention strategies. The office may use these
2 targeted amounts for other program participants should there be any
3 remaining amounts after eligible psychiatrists and advanced
4 registered nurse practitioners have been served. The office shall
5 also work to prioritize loan repayments to professionals working at
6 health care delivery sites that demonstrate a commitment to serving
7 uninsured clients.

8 (11) \$42,000 of the general fund—state appropriation for fiscal
9 year 2018 and \$42,000 of the general fund—state appropriation for
10 fiscal year 2019 are provided solely for the council to design and
11 implement a program that provides customized information to high-
12 achieving (as determined by local school districts), low-income, high
13 school students. "Low-income" means students who are from low-income
14 families as defined by the education data center in RCW 43.41.400.
15 For the purposes of designing, developing, and implementing the
16 program, the council shall partner with a national entity that offers
17 aptitude tests and shall consult with institutions of higher
18 education with a physical location in Washington. The council shall
19 implement the program no later than fall 2016, giving consideration
20 to spring mailings in order to capture early action decisions offered
21 by institutions of higher education and nonprofit baccalaureate
22 degree-granting institutions. The information packet for students
23 must include at a minimum:

- 24 (a) Materials that help students to choose colleges;
- 25 (b) An application guidance booklet;
- 26 (c) Application fee waivers, if available, for four-year
27 institutions of higher education and independent nonprofit
28 baccalaureate degree-granting institutions in the state that enable
29 students receiving a packet to apply without paying application fees;
- 30 (d) Information on college affordability and financial aid that
31 includes information on the net cost of attendance for each four-year
32 institution of higher education and each nonprofit baccalaureate
33 degree-granting institution, and information on merit and need-based
34 aid from federal, state, and institutional sources; and
- 35 (e) A personally addressed cover letter signed by the governor
36 and the president of each four-year institution of higher education
37 and nonprofit baccalaureate degree-granting institution in the state.

38 (12) \$1,000,000 of the general fund—state appropriation for
39 fiscal year 2019 is provided solely to meet state match requirements

1 for professional-technical certificate or degree scholarships
2 associated with the opportunity scholarship program.

3 **Sec. 610.** 2017 3rd sp.s. c 1 s 614 (uncodified) is amended to
4 read as follows:

5 **FOR THE WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD**

6	General Fund—State Appropriation (FY 2018)	((\$1,881,000))
7		<u>\$1,868,000</u>
8	General Fund—State Appropriation (FY 2019)	((\$1,795,000))
9		<u>\$1,831,000</u>
10	General Fund—Federal Appropriation	((\$55,279,000))
11		<u>\$55,275,000</u>
12	<u>Pension Funding Stabilization Account—State</u>	
13	<u>Appropriation.</u>	<u>\$176,000</u>
14	General Fund—Private/Local Appropriation	\$208,000
15	TOTAL APPROPRIATION.	((\$59,163,000))
16		<u>\$59,358,000</u>

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

19 (1) For the 2017-2019 fiscal biennium the board shall not
20 designate recipients of the Washington award for vocational
21 excellence or recognize them at award ceremonies as provided in RCW
22 28C.04.535.

23 (2) The health workforce council of the state workforce training
24 and education coordinating board, in partnership with work underway
25 with the office of the governor, shall, within resources available
26 for such purpose, but not to exceed \$250,000, assess workforce
27 shortages across behavioral health disciplines. The board shall
28 create a recommended action plan to address behavioral health
29 workforce shortages and to meet the increased demand for services
30 now, and with the integration of behavioral health and primary care
31 in 2020. The analysis and recommended action plan shall align with
32 the recommendations of the adult behavioral health system task force
33 and related work of the healthier Washington initiative. The board
34 shall consider workforce data, gaps, distribution, pipeline,
35 development, and infrastructure, including innovative high school,
36 postsecondary, and postgraduate programs to evolve, align, and
37 respond accordingly to our state's behavioral health and related and

1 integrated primary care workforce needs. The board will continue its
2 work and submit final recommendations in calendar year 2017.

3 (3) \$22,000 of the general fund—state appropriation for fiscal
4 year 2018 is provided solely for implementation of chapter 154, Laws
5 of 2017 (SSB 5022) (education loan information).

6 (4) \$114,000 of the general fund—state appropriation for fiscal
7 year 2018 and \$57,000 of the general fund—state appropriation for
8 fiscal year 2019 are provided solely for implementation of chapter
9 182, Laws of 2017 (2SSB 5285) (workforce employment sectors study).

10 (5) \$31,000 of the general fund—state appropriation for fiscal
11 year 2018 and \$125,000 of the general fund—state appropriation for
12 fiscal year 2019 are provided solely for work associated with the
13 career connected learning strategic plan in section 501(49) of this
14 act.

15 **Sec. 611.** 2017 3rd sp.s. c 1 s 615 (uncodified) is amended to
16 read as follows:

17 **FOR THE DEPARTMENT OF EARLY LEARNING**

18	General Fund—State Appropriation (FY 2018)	. . . . .	((\$119,174,000))
19			<u>\$120,247,000</u>
20	General Fund—Federal Appropriation	. . . . .	\$171,032,000
21	Education Legacy Trust Account—State Appropriation	. . . . .	\$14,091,000
22	Home Visiting Services Account—State Appropriation	. . . . .	\$3,133,000
23	Home Visiting Services Account—Federal		
24	Appropriation	. . . . .	\$12,153,000
25	WA Opportunity Pathways Account—State Appropriation	. . . . .	\$40,000,000
26	<u>Pension Funding Stabilization Account—State</u>		
27	<u>Appropriation.</u>	. . . . .	<u>\$468,000</u>
28	TOTAL APPROPRIATION.	. . . . .	((\$359,583,000))
29			<u>\$361,124,000</u>

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

32 (1) \$58,185,000 of the general fund—state appropriation for
33 fiscal year 2018, \$12,125,000 of the education legacy trust account—
34 state appropriation, and \$40,000,000 of the opportunity pathways
35 account appropriation are provided solely for the early childhood
36 education and assistance program. These amounts shall support at
37 least 12,491 slots in fiscal year 2018.

1 (2) \$200,000 of the general fund—state appropriation for fiscal
2 year 2018 is provided solely to develop and provide culturally
3 relevant supports for parents, family, and other caregivers.

4 (3) The department is the lead agency for and recipient of the
5 federal child care and development fund grant. Amounts within this
6 grant shall be used to fund child care licensing, quality
7 initiatives, agency administration, and other costs associated with
8 child care subsidies. The department shall transfer a portion of this
9 grant to the department of social and health services to fund the
10 child care subsidies paid by the department of social and health
11 services on behalf of the department of early learning.

12 (4)(a) (~~(\$76,650,000)~~) \$78,985,000 of the general fund—federal
13 appropriation is provided solely for the working connections child
14 care program under RCW 43.215.135. In order to not exceed the
15 appropriated amount, the department shall manage the program so that
16 the average monthly caseload does not exceed 33,000 households. The
17 department shall give prioritized access into the program according
18 to the following order:

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

21 (ii) TANF families curing sanction;

22 (iii) Foster children;

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

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

28 (vi) Families with a child residing with a biological parent or
29 guardian who have received child protective services, child welfare
30 services, or a family assessment response from the department of
31 social and health services in the past six months, and has received a
32 referral for child care as part of the family's case management; and

33 (vii) Families that received subsidies within the last thirty
34 days and:

35 (A) Have reapplied for subsidies; and

36 (B) Have household income of two hundred percent federal poverty
37 level or below; and

38 (viii) All other eligible families.

39 (b) The department of early learning and the department of social
40 and health services must take immediate action to reduce fraud and

1 overpayments in the working connections child care program. By
2 December 1, 2017, the department must adopt rules to:

3 (i) Require verification of the applicant's household composition
4 in determining eligibility for the working connections child care
5 program. At a minimum, the department of social and health services
6 must consult agency records for the temporary assistance for needy
7 families program, food assistance, medical assistance, and child
8 support enforcement to verify the applicant's household composition
9 and other applicable eligibility criteria whenever possible. In cases
10 where only one parent's name appears on the application and the
11 department of social and health services cannot verify an open child
12 support case or verify household composition through internal agency
13 records, then the applicant must:

14 (A) Provide the name and address of the other parent or indicate,
15 under penalty of perjury, that the other parent's identity or address
16 are unknown to the applicant; and

17 (B) Document the presence or absence of the other parent through
18 acceptable documentation as defined by the department in rule.

19 The department must exempt an applicant from providing
20 information about the other parent if the department of social and
21 health services determines the applicant has good cause not to
22 cooperate. For the purposes of this subsection, "good cause" must
23 include, at a minimum, consideration of the safety of domestic
24 violence victims;

25 (ii) Authorize working connections child care payments to
26 licensed and certified providers and in-home relative child care
27 providers serving eligible consumers who participate in one hundred
28 ten hours or more of approved work or related activities per calendar
29 month within the following categories: (A) Full day care for a non-
30 school-age child, (B) half-day care for a school-age child during the
31 school year, and (C) full day care for a school-age child during
32 school holidays;

33 (iii) Define the occurrence of fraud, an intentional program
34 violation, an unintentional program violation and an administrative
35 error;

36 (iv) Outline the administrative process for determining fraud or
37 an intentional program violation; and

38 (v) Define the progressive disqualification process for providers
39 who commit fraud or intentional program violation(s).

1 (c) The department, in collaboration with the department of
2 social and health services, must submit a preliminary report by
3 December 1, 2017, and a final report by December 1, 2018, to the
4 governor and the appropriate fiscal and policy committees of the
5 legislature on quality control measures for the working connections
6 child care program. The reports must each include:

7 (i) A detailed narrative of the procurement and implementation of
8 an improved time and attendance system, including a detailed
9 accounting of the costs of procurement and implementation;

10 (ii) A comprehensive description of all processes, including
11 computer algorithms and additional rule development, that the
12 department and the department of social and health services plan to
13 establish prior to and after full implementation of the time and
14 attendance system. At a minimum, processes must be designed to:

15 (A) Ensure the department's auditing efforts are informed by
16 regular and continuous alerts of the potential for overpayments;

17 (B) Avoid overpayments to the maximum extent possible and
18 expediently recover overpayments that have occurred;

19 (C) Withhold payment from providers when necessary to incentivize
20 receipt of the necessary documentation to complete an audit;

21 (D) Establish methods for reducing future payments or
22 establishing repayment plans in order to recover any overpayments;

23 (E) Sanction providers, including termination of eligibility, who
24 commit intentional program violations or fail to comply with program
25 requirements, including compliance with any established repayment
26 plans;

27 (F) Consider pursuit of prosecution in cases with fraudulent
28 activity; and

29 (iii) A description of the process by which fraud is identified
30 and how fraud investigations are prioritized and expedited.

31 (d) Beginning July 1, 2018, and annually thereafter, the
32 department, in collaboration with the department of social and health
33 services, must report to the governor and the appropriate fiscal and
34 policy committees of the legislature on the status of overpayments in
35 the working connections child care program. The report must include
36 the following information for the previous fiscal year:

37 (i) A summary of the number of overpayments that occurred;

38 (ii) The reason for each overpayment;

39 (iii) The total cost of overpayments;

1 (iv) A comparison to overpayments that occurred in the past two
2 preceding fiscal years; and

3 (v) Any planned modifications to internal processes that will
4 take place in the coming fiscal year to further reduce the occurrence
5 of overpayments.

6 (5) Within available amounts, the department in consultation with
7 the office of financial management and the department of social and
8 health services shall report enrollments and active caseload for the
9 working connections child care program to the legislative fiscal
10 committees and the legislative-executive WorkFirst oversight task
11 force on an agreed upon schedule. The report shall also identify the
12 number of cases participating in both temporary assistance for needy
13 families and working connections child care. The department must also
14 report on the number of children served through contracted slots.

15 (6) \$1,560,000 of the general fund—state appropriation for fiscal
16 year 2018 and \$6,712,000 of the general fund—federal appropriation
17 are provided solely for the seasonal child care program. If federal
18 sequestration cuts are realized, cuts to the seasonal child care
19 program must be proportional to other federal reductions made within
20 the department.

21 (7) \$4,674,000 of the general fund—state appropriation for fiscal
22 year 2018 is provided solely for the early childhood intervention
23 prevention services (ECLIPSE) program. The department shall contract
24 for ECLIPSE services to provide therapeutic child care and other
25 specialized treatment services to abused, neglected, at-risk, and/or
26 drug-affected children. Priority for services shall be given to
27 children referred from the department of social and health services
28 children's administration.

29 (8) \$44,663,000 of the general fund—state appropriation for
30 fiscal year 2018 and \$13,954,000 of the general fund—federal
31 appropriation are provided solely to maintain the requirements set
32 forth in chapter 7, Laws of 2015 3rd sp. sess. The department shall
33 place a ten percent administrative overhead cap on any contract
34 entered into with the University of Washington. In its annual report
35 to the governor and the legislature, the department shall report the
36 total amount of funds spent on the quality rating and improvements
37 system and the total amount of funds spent on degree incentives,
38 scholarships, and tuition reimbursements. Of the amounts provided in
39 this subsection, \$386,000 of the general fund—state appropriation for

1 fiscal year 2018 is provided solely for a six percent base rate
2 increase for child care center providers.

3 (9) \$1,728,000 of the general fund—state appropriation for fiscal
4 year 2018 is provided solely for reducing barriers for low-income
5 providers to participate in the early achievers program.

6 (10) \$300,000 of the general fund—state appropriation for fiscal
7 year 2018 is provided solely for a contract with a nonprofit entity
8 experienced in the provision of promoting early literacy for children
9 through pediatric office visits.

10 (11) \$2,000,000 of the education legacy trust account—state
11 appropriation is provided solely for early intervention assessment
12 and services.

13 (12) \$7,979,000 of the general fund—federal appropriation for
14 fiscal year 2018 is provided solely for the department to procure a
15 time and attendance system and are subject to the conditions,
16 limitations, and review provided in section 724 of this act.

17 (13) Information technology projects or investments and proposed
18 projects or investments impacting time capture, payroll and payment
19 processes and systems, eligibility, case management and authorization
20 systems within the department of early learning are subject to
21 technical oversight by the office of the chief information officer.
22 The department must collaborate with the office of the chief
23 information officer to develop a strategic business and technology
24 architecture plan for a child care attendance and billing system that
25 supports a statewide architecture.

26 (14)(a)(i) The department of early learning is required to
27 provide to the education research and data center, housed at the
28 office of financial management, data on all state-funded early
29 childhood programs. These programs include the early support for
30 infants and toddlers, early childhood education and assistance
31 program (ECEAP), and the working connections and seasonal subsidized
32 childcare programs including license exempt facilities or family,
33 friend, and neighbor care. The data provided by the department to the
34 education research data center must include information on children
35 who participate in these programs, including their name and date of
36 birth, and dates the child received services at a particular
37 facility.

38 (ii) ECEAP early learning professionals must enter any new
39 qualifications into the department's professional development

1 registry starting in the 2015-16 school year, and every school year
2 thereafter. By October 2017, and every October thereafter, the
3 department must provide updated ECEAP early learning professional
4 data to the education research data center.

5 (iii) The department must request federally funded head start
6 programs to voluntarily provide data to the department and the
7 education research data center that is equivalent to what is being
8 provided for state-funded programs.

9 (iv) The education research and data center must provide an
10 updated report on early childhood program participation and K-12
11 outcomes to the house of representatives appropriations committee and
12 the senate ways and means committee using available data by November
13 2017 for the school year ending in 2016 and again in March 2018 for
14 the school year ending in 2017.

15 (b) The department, in consultation with the department of social
16 and health services, must withhold payment for services to early
17 childhood programs that do not report on the name, date of birth, and
18 the dates a child received services at a particular facility.

19 (15) The department shall work with state and local law
20 enforcement, federally recognized tribal governments, and tribal law
21 enforcement to develop a process for expediting fingerprinting and
22 data collection necessary to conduct background checks for tribal
23 early learning and child care providers.

24 (16) \$2,651,000 of the general fund—state appropriation for
25 fiscal year 2018 is provided solely for the 2017-2019 collective
26 bargaining agreement covering family child care providers as set
27 forth in section 940 of this act. Funding is contingent upon
28 enactment of Senate Bill No. 5969 (transparency in public employee
29 collective bargaining). If the bill is not enacted by July 31, 2017,
30 the amount provided in this subsection shall lapse. Of the amounts
31 provided in this subsection:

32 (a) \$273,000 is for a base rate increase;

33 (b) \$55,000 is for increasing paid professional development days
34 from three days to five days;

35 (c) \$1,708,000 is for the family child care providers 501c3
36 organization for the substitute pool, training and quality
37 improvement support services, and administration;

38 (d) \$114,000 is for increasing licensing incentive payments; and

39 (e) \$500,000 is for needs based grants.

1 (17) \$175,000 of the general fund—state appropriation for fiscal
2 year 2018 is provided solely for the department to contract with a
3 nonprofit entity that provides quality improvement services to
4 participants in the early achievers program to implement a community-
5 based training module that supports licensed child care providers who
6 have been rated in early achievers and who are specifically
7 interested in serving children in the early childhood education and
8 assistance program. The module must be functionally translated into
9 Spanish and Somali. The module must prepare trainees to administer
10 all aspects of the early childhood education and assistance program
11 for eligible children in their licensed program and must be offered
12 to 105 child care providers to serve children eligible for the early
13 childhood education and assistance program by June 30, 2019.

14 (18) \$750,000 of the general fund—state appropriation for fiscal
15 year 2018 is provided solely for the implementation of the early
16 achievers expanded learning opportunity quality initiative pursuant
17 to RCW 43.215.100(3)(d).

18 (19) \$267,000 of the general fund—state appropriation for fiscal
19 year 2018 is provided solely for implementation of chapter 236, Laws
20 of 2017 (SHB 1445) (dual language in early learning & K-12).

21 (20) \$100,000 of the general fund—state appropriation for fiscal
22 year 2018 is provided solely for implementation of chapter 202, Laws
23 of 2017 (E2SHB 1713) (children's mental health).

24 (21) \$5,000 of the general fund—state appropriation for fiscal
25 year 2018 is provided solely for a child care workforce development
26 technical work group to develop recommendations to support increased
27 child care workforce wages, reduce turnover, enable child care
28 providers to recruit more qualified educators, and maintain the
29 diversity of the current workforce.

30 (a) The department shall convene and provide staff support for
31 the technical work group. The department shall consult with advocates
32 and stakeholders of the early learning workforce when selecting
33 members for the technical work group. Membership of the work group
34 must consist of representatives from the following organizations and
35 entities:

- 36 (i) The statewide child care resource and referral network;
- 37 (ii) The department;
- 38 (iii) The department of commerce;
- 39 (iv) The economic opportunity institute;

1 (v) A coalition of organizations representing nonprofits,
2 professional associations, businesses, and industries in early
3 learning;

4 (vi) The state board for community and technical colleges;

5 (vii) A union representing child care workers;

6 (viii) The small business administration;

7 (ix) A member consisting of either an economist or a
8 representative of the workforce development councils;

9 (x) A representative from an early childhood education and
10 assistance program;

11 (xi) A representative from a nonprofit child care center;

12 (xii) A representative from a private child care center; and

13 (xiii) A representative from an organization that provides
14 culturally responsive services for early learning programs in
15 communities with high numbers of families whose primary language is
16 not English.

17 (b) Members of the work group may be reimbursed for travel
18 expenses as provided in RCW 43.03.050 and 43.03.060. Funding in this
19 subsection is provided solely for travel reimbursement of work group
20 members and other costs to conduct the meetings. Funding provided in
21 this subsection may not be used to contract for facilitation.

22 (c) The work group shall issue a report with recommendations and
23 an implementation plan to the governor and appropriate committees of
24 the legislature by December 1, 2018.

25 (22) \$317,000 of the general fund—state appropriation for fiscal
26 year 2018 is provided solely for implementation of chapter 162, Laws
27 of 2017 (SSB 5357) (outdoor early learning programs).

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

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

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

1 (A) A seniority system; a merit system; a system that measures
2 earnings by quantity or quality of production; a bona fide job-
3 related factor or factors; or a bona fide regional difference in
4 compensation levels.

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

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

12 (b) The provision must allow for the termination of the contract
13 if the department or department of enterprise services determines
14 that the vendor is not in compliance with this agreement or contract
15 term.

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

18 **Sec. 612.** 2017 3rd sp.s. c 1 s 616 (uncodified) is amended to
19 read as follows:

20 **FOR THE STATE SCHOOL FOR THE BLIND**

21	General Fund—State Appropriation (FY 2018)	. . . . .	((\$6,976,000))
22			<u>\$6,981,000</u>
23	General Fund—State Appropriation (FY 2019)	. . . . .	((\$7,427,000))
24			<u>\$7,506,000</u>
25	General Fund—Private/Local Appropriation	. . . . .	\$34,000
26	<u>Pension Funding Stabilization Account—State</u>		
27	<u>Appropriation.</u>	. . . . .	\$591,000
28	TOTAL APPROPRIATION.	. . . . .	((\$14,437,000))
29			<u>\$15,112,000</u>

30 The appropriations in this section are subject to the following
31 conditions and limitations: Funding provided in this section is
32 sufficient for the school to offer to students enrolled in grades
33 nine through twelve for full-time instructional services at the
34 Vancouver campus with the opportunity to participate in a minimum of
35 one thousand eighty hours of instruction and the opportunity to earn
36 twenty-four high school credits.

1 **Sec. 613.** 2017 3rd sp.s. c 1 s 617 (uncodified) is amended to
2 read as follows:

3 **FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING**
4 **LOSS**

5	General Fund—State Appropriation (FY 2018)	. . . . .	((\$10,646,000))
6			<u>\$10,297,000</u>
7	General Fund—State Appropriation (FY 2019)	. . . . .	((\$11,679,000))
8			<u>\$11,532,000</u>
9	<u>Pension Funding Stabilization Account—State</u>		
10	<u>Appropriation.</u>	. . . . .	\$727,000
11	TOTAL APPROPRIATION.	. . . . .	((\$22,325,000))
12			<u>\$22,556,000</u>

13 The appropriations in this section are subject to the following
14 conditions and limitations: Funding provided in this section is
15 sufficient for the center to offer to students enrolled in grades
16 nine through twelve for full-time instructional services at the
17 Vancouver campus with the opportunity to participate in a minimum of
18 one thousand eighty hours of instruction and the opportunity to earn
19 twenty-four high school credits.

20 **Sec. 614.** 2017 3rd sp.s. c 1 s 618 (uncodified) is amended to
21 read as follows:

22 **FOR THE WASHINGTON STATE ARTS COMMISSION**

23	General Fund—State Appropriation (FY 2018)	. . . . .	((\$1,497,000))
24			<u>\$1,439,000</u>
25	General Fund—State Appropriation (FY 2019)	. . . . .	((\$1,514,000))
26			<u>\$1,552,000</u>
27	General Fund—Federal Appropriation	. . . . .	((\$2,124,000))
28			<u>\$2,122,000</u>
29	General Fund—Private/Local Appropriation	. . . . .	((\$16,000))
30			<u>\$50,000</u>
31	<u>Pension Funding Stabilization Account—State</u>		
32	<u>Appropriation.</u>	. . . . .	\$122,000
33	TOTAL APPROPRIATION.	. . . . .	((\$5,151,000))
34			<u>\$5,285,000</u>

35 The appropriations in this section are subject to the following
36 conditions and limitations: \$78,000 of the general fund—state
37 appropriation for fiscal year 2018 and \$78,000 of the general fund—

1 state appropriation for fiscal year 2019 are provided solely to
2 implement chapter 240, Laws of 2017 (creative districts).

3 **Sec. 615.** 2017 3rd sp.s. c 1 s 619 (uncodified) is amended to
4 read as follows:

5 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

6	General Fund—State Appropriation (FY 2018)	. . . . .	((\$2,505,000))
7			<u>\$2,453,000</u>
8	General Fund—State Appropriation (FY 2019)	. . . . .	((\$2,603,000))
9			<u>\$2,693,000</u>
10	<u>Pension Funding Stabilization Account—State</u>		
11	Appropriation.		\$230,000
12	TOTAL APPROPRIATION.		((\$5,108,000))
13			<u>\$5,376,000</u>

14 **Sec. 616.** 2017 3rd sp.s. c 1 s 620 (uncodified) is amended to
15 read as follows:

16 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

17	General Fund—State Appropriation (FY 2018)	. . . . .	((\$1,991,000))
18			<u>\$1,943,000</u>
19	General Fund—State Appropriation (FY 2019)	. . . . .	((\$2,044,000))
20			<u>\$2,078,000</u>
21	<u>Pension Funding Stabilization Account—State</u>		
22	Appropriation.		\$213,000
23	TOTAL APPROPRIATION.		((\$4,035,000))
24			<u>\$4,234,000</u>

(End of part)

PART VII

SPECIAL APPROPRIATIONS

Sec. 701. 2017 3rd sp.s. c 1 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

Table with 2 columns: Description and Amount. Rows include General Fund—State Appropriation (FY 2018), General Fund—State Appropriation (FY 2019), State Building Construction Account—State Appropriation, Columbia River Basin Water Supply—State Appropriation, State Taxable Building Construction Account—State Appropriation, Debt-Limit Reimbursable Bond Retire Account—State Appropriation, and TOTAL APPROPRIATION.

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account.

Sec. 702. 2017 3rd sp.s. c 1 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

Table with 2 columns: Description and Amount. Rows include General Fund—State Appropriation (FY 2018), General Fund—State Appropriation (FY 2019), State Building Construction Account—State Appropriation, Columbia River Basin Water Supply—State Appropriation, Columbia River Basin Taxable Bond Water Supply—State Appropriation, and State Taxable Building Construction Account—State Appropriation.

1 TOTAL APPROPRIATION. (~~(\$5,214,000)~~)
2 \$5,213,000

3 NEW SECTION. Sec. 703. A new section is added to 2017 3rd sp.s.
4 c 1 (uncodified) to read as follows:

5 **FOR SUNDRY CLAIMS**

6 The following sums, or so much thereof as may be necessary, are
7 appropriated from the general fund for fiscal year 2018, unless
8 otherwise indicated, for relief of various individuals, firms, and
9 corporations for sundry claims.

10 (1) These appropriations are to be disbursed on vouchers approved
11 by the director of the department of enterprise services, except as
12 otherwise provided, for reimbursement of criminal defendants
13 acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as
14 follows:

- 15 (a) John Weiler, claim number 99970144. \$7,975
- 16 (b) Samson Asfaw, claim number 99970145. \$18,873
- 17 (c) Troy Bottemiller, claim number 99970146. \$131,775
- 18 (d) Kevon Turner, claim number 99970147. \$9,750

19 NEW SECTION. Sec. 704. A new section is added to 2017 3rd sp.s.
20 c 1 (uncodified) to read as follows:

21 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—DISASTER RESPONSE ACCOUNT**

22 General Fund—State Appropriation (FY 2018) \$43,470,000
23 General Fund—State Appropriation (FY 2019). \$23,763,000
24 TOTAL APPROPRIATION. \$67,233,000

25 The appropriations in this section are subject to the following
26 conditions and limitations: The appropriations in this section, or so
27 much thereof as may be necessary, are provided solely for expenditure
28 into the disaster response account to ensure the account is not in
29 deficit.

30 NEW SECTION. Sec. 705. A new section is added to 2017 3rd sp.s.
31 c 1 (uncodified) to read as follows:

32 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—SCHOOL EMPLOYEES' INSURANCE**
33 **ADMINISTRATIVE ACCOUNT**

34 General Fund—State Appropriation (FY 2018) \$9,807,000
35 General Fund—State Appropriation (FY 2019). \$11,423,000
36 TOTAL APPROPRIATION. \$21,230,000

1 The appropriations in this section are subject to the following
 2 conditions and limitations: The appropriations in this section, or so
 3 much thereof as may be necessary, are provided solely for expenditure
 4 into the school employees' insurance administrative account for
 5 start-up costs for the school employees' benefits program pursuant to
 6 chapter 13, Laws of 2017 3rd sp. sess. It is the intent of the
 7 legislature that this amount, plus interest as determined by the
 8 treasurer, be repaid to the general fund on June 30, 2020.

9 NEW SECTION. **Sec. 706.** A new section is added to 2017 3rd sp.s.
 10 c 1 (uncodified) to read as follows:

11 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—LOCAL PUBLIC SAFETY**
 12 **ENHANCEMENT ACCOUNT**

13 General Fund—State Appropriation (FY 2019). \$50,000,000

14 The appropriation in this section is subject to the following
 15 conditions and limitations: The appropriation in this section, or so
 16 much thereof as may be necessary, is provided solely for expenditure
 17 into the local public safety enhancement account pursuant to RCW
 18 41.26.802.

19 **Sec. 707.** 2017 3rd sp.s. c 1 s 708 (uncodified) is amended to
 20 read as follows:

21 **FOR THE STATE TREASURER—COUNTY PUBLIC HEALTH ASSISTANCE**

22 General Fund—State Appropriation (FY 2018) \$36,386,000

23 General Fund—State Appropriation (FY 2019) \$36,386,000

24 TOTAL APPROPRIATION. \$72,772,000

25 The appropriations in this section are subject to the following
 26 conditions and limitations: The state treasurer shall distribute the
 27 appropriations to the following counties and health districts in the
 28 amounts designated to support public health services, including
 29 public health nursing:

30 Health District	FY 2018	FY 2019	2017-2019
			Biennium
31			
32 ((Adams County Health District) <u>Adams County</u>	\$121,213	\$121,213	\$242,426
33 <u>Integrated Health Care Services</u>			
34 Asotin County Health District	\$159,890	\$159,890	\$319,780
35 Benton-Franklin Health District	\$1,614,337	\$1,614,337	\$3,228,674

1	Chelan-Douglas Health District	\$399,634	\$399,634	\$799,268
2	Clallam County Health and Human Services Department	\$291,401	\$291,401	\$582,802
3	((Clark County Health District)) <u>Clark County Public</u>	\$1,767,341	\$1,767,341	\$3,534,682
4	<u>Health</u>			
5	((Skamania County Health Department)) <u>Skamania</u>	\$111,327	\$111,327	\$222,654
6	<u>County Community Health</u>			
7	Columbia County Health District	\$119,991	\$119,991	\$239,982
8	((Cowlitz County Health Department)) <u>Cowlitz County</u>	\$477,981	\$477,981	\$955,962
9	<u>Health and Human Services</u>			
10	Garfield County Health District	\$93,154	\$93,154	\$186,308
11	Grant County Health District	\$297,761	\$297,761	\$595,522
12	((Grays Harbor Health Department)) <u>Grays Harbor</u>	\$335,666	\$335,666	\$671,332
13	<u>Public Health and Social Services</u>			
14	Island County Health Department	\$255,224	\$255,224	\$510,448
15	((Jefferson County Health and Human Services))	\$184,080	\$184,080	\$368,160
16	<u>Jefferson County Public Health</u>			
17	((Seattle-King County Department of Public Health))	\$12,685,521	\$12,685,521	\$25,371,042
18	<u>Public Health - Seattle & King County</u>			
19	((Bremerton-Kitsap County Health District)) <u>Kitsap</u>	\$997,476	\$997,476	\$1,994,952
20	<u>Public Health District</u>			
21	Kittitas County Health Department	\$198,979	\$198,979	\$397,958
22	Klickitat County Health Department	\$153,784	\$153,784	\$307,568
23	((Lewis County Health Department)) <u>Lewis County</u>	\$263,134	\$263,134	\$526,268
24	<u>Public Health and Social Services</u>			
25	Lincoln County Health Department	\$113,917	\$113,917	\$227,834
26	((Mason County Department of Health Services))	\$227,448	\$227,448	\$454,896
27	<u>Mason County Public Health and Human Services</u>			
28	((Okanogan County Health District)) <u>Okanogan County</u>	\$169,882	\$169,882	\$339,764
29	<u>Public Health</u>			
30	((Pacific County Health Department)) <u>Pacific County</u>	\$169,075	\$169,075	\$338,150
31	<u>Health and Human Services</u>			
32	Tacoma-Pierce County Health Department	\$4,143,169	\$4,143,169	\$8,286,338
33	San Juan County Health and Community Services	\$126,569	\$126,569	\$253,138
34	Skagit County Health Department	\$449,745	\$449,745	\$899,490

1	Snohomish Health District	\$3,433,291	\$3,433,291	\$6,866,582
2	((Spokane County Health District)) <u>Spokane Regional</u>	\$2,877,318	\$2,877,318	\$5,754,636
3	<u>Health District</u>			
4	Northeast Tri-County Health District	\$249,303	\$249,303	\$498,606
5	((Thurston County Health Department)) <u>Thurston</u>	\$1,046,897	\$1,046,897	\$2,093,794
6	<u>County Public Health and Social Services</u>			
7	((Wahkiakum County Health Department)) <u>Wahkiakum</u>	\$93,181	\$93,181	\$186,362
8	<u>County Health and Human Services</u>			
9	((Walla Walla County-City Health Department)) <u>Walla</u>	\$302,173	\$302,173	\$604,346
10	<u>Walla County Department of Community Health</u>			
11	Whatcom County Health Department	\$1,214,301	\$1,214,301	\$2,428,602
12	Whitman County Health Department	\$189,355	\$189,355	\$378,710
13	Yakima Health District	\$1,052,482	\$1,052,482	\$2,104,964
14	TOTAL APPROPRIATIONS	\$36,386,000	\$36,386,000	\$72,772,000

15 **Sec. 708.** 2017 3rd sp.s. c 1 s 720 (uncodified) is amended to
16 read as follows:

17 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—CANCER RESEARCH ENDOWMENT FUND**
18 **MATCH TRANSFER ACCOUNT**

19	General Fund—State Appropriation (FY 2018)	. . . . .	\$5,000,000
20	<u>General Fund—State Appropriation (FY 2019)</u>	<u>.</u>	<u>\$10,000,000</u>
21	<u>TOTAL APPROPRIATION.</u>	<u>.</u>	<u>\$15,000,000</u>

22 The appropriations in this section are subject to the following
23 conditions and limitations: The appropriation in this section is
24 provided solely for expenditure into the cancer research endowment
25 fund match transfer account per RCW 43.348.080 to fund the cancer
26 research endowment program.

27 **Sec. 709.** 2017 3rd sp.s. c 1 s 722 (uncodified) is amended to
28 read as follows:

29 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—HEALTH PROFESSIONS ACCOUNT**

30	Dedicated Marijuana Account—State Appropriation		
31	(FY 2018)	. . . . .	(( \$352,000))
32			<u>\$2,652,000</u>
33	Dedicated Marijuana Account—State Appropriation		
34	(FY 2019)	. . . . .	\$352,000

1 TOTAL APPROPRIATION. ((\$704,000))
2 \$3,004,000

3 The appropriations in this section are subject to the following
4 conditions and limitations: The appropriations are provided solely
5 for expenditure into the health professions account to reimburse the
6 account for costs incurred by the department of health for the
7 development and administration of the marijuana authorization
8 database.

9 **Sec. 710.** 2017 3rd sp.s. c 1 s 723 (uncodified) is amended to
10 read as follows:

11 **FOR THE OFFICE OF FINANCIAL MANAGEMENT—LEASE COST POOL**

12 General Fund—State Appropriation (FY 2018)	\$9,712,000
13 <u>General Fund—State Appropriation (FY 2019).</u>	<u>\$8,000,000</u>
14 General Fund—Federal Appropriation	\$2,431,000
15 TOTAL APPROPRIATION.	((\$12,143,000))
16	<u>\$20,143,000</u>

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

19 (1) The appropriations in this section are provided solely for
20 expenditure into the state agency office relocation pool account
21 created in section 949 of this act for state agency office relocation
22 costs as shown in LEAP omnibus document LEAS2-2017, dated ((March
23 14)) December 14, 2017, which is hereby incorporated by reference.
24 ((To facilitate the transfer of moneys from other funds and accounts
25 that are associated with office relocations contained in LEAP omnibus
26 document LEAS-2017, dated March 14, 2017, the state treasurer is
27 directed to transfer moneys from other funds and accounts in an
28 amount not to exceed \$2,431,000 to the lease cost pool in accordance
29 with schedules provided by the office of financial management.))

30 (2) Agencies may apply to the office of financial management to
31 receive funds from the state agency office relocation pool account in
32 an amount not to exceed the actual costs for the office relocations.

33 NEW SECTION. **Sec. 711.** 2017 3rd sp.s. c 1 s 737 (uncodified) is
34 repealed.

35 NEW SECTION. **Sec. 712.** A new section is added to 2017 3rd sp.s.
36 c 1 (uncodified) to read as follows:

1 **COMPENSATION AND BENEFITS**

2 General Fund—State Appropriation (FY 2019) \$111,000
3 Motor Vehicle Account—State Appropriation. \$1,000
4 Judicial Information System Account—State Appropriation. . . \$14,000
5 Department of Retirement Systems Expense Account—State
6 Appropriation. \$2,000
7 Performance Audits of Government Account—State
8 Appropriation. \$3,000
9 TOTAL APPROPRIATION. \$131,000

10 The appropriations in this section are subject to the following
11 conditions and limitations: Funding is provided for employer payment
12 of employee family and medical leave premiums for low-wage workers,
13 and for pension contribution rate increases for benefit increases for
14 public employees' and teachers' retirement systems plans 1 for
15 legislative and judicial branch employees, as provided in sections
16 909 and 910 of this act, as shown in OFM Document 2018-02.

17 NEW SECTION. **Sec. 713.** A new section is added to 2017 3rd sp.s.
18 c 1 (uncodified) to read as follows:

19 **CENTRAL SERVICE CHARGES**

20 General Fund—State Appropriation (FY 2018) \$105,000
21 General Fund—State Appropriation (FY 2019) \$336,000
22 Judicial Stabilization Trust Account—State Appropriation. . . \$2,000
23 Performance Audits of Government Account—State
24 Appropriation. \$6,000
25 Department of Retirement Systems Expense Account—State
26 Appropriation. \$2,000
27 TOTAL APPROPRIATION. \$451,000

28 The appropriations in this section are subject to the following
29 conditions and limitations: Funding is provided for central service
30 charge adjustments for legislative and judicial agencies as shown in
31 OFM Document 2018-01.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2017 3rd sp.s. c 1 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions.	((\$9,731,000))
	<u>\$9,730,100</u>
General Fund Appropriation for prosecuting attorney distributions.	((\$6,786,000))
	<u>\$6,642,000</u>
General Fund Appropriation for boating safety and education distributions.	\$4,000,000
General Fund Appropriation for public utility district excise tax distributions.	((\$60,611,000))
	<u>\$30,116,000</u>
Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies.	\$3,556,000
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution.	\$140,000
Timber Tax Distribution Account Appropriation for distribution to "timber" counties.	((\$77,367,000))
	<u>\$68,009,000</u>
County Criminal Justice Assistance Appropriation.	((\$96,145,000))
	<u>\$93,628,000</u>
Municipal Criminal Justice Assistance Appropriation.	((\$38,126,000))
	<u>\$36,908,000</u>
City-County Assistance Appropriation.	\$27,160,000
Liquor Excise Tax Account Appropriation for liquor excise tax distribution.	\$56,058,000
Streamlined Sales and Use Tax Mitigation Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistributions effect of sourcing law changes.	((\$20,012,000))
	<u>\$20,587,000</u>
Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation.	\$8,074,000

1	Columbia River Water Delivery Account Appropriation	
2	for the Spokane Tribe of Indians.	\$5,402,000
3	Liquor Revolving Account Appropriation for liquor	
4	profits distribution.	\$98,876,000
5	General Fund Appropriation for other tax	
6	distributions.	\$80,000
7	General Fund Appropriation for Marijuana Excise	
8	Tax distributions.	\$12,000,000
9	General Fund Appropriation for Habitat Conservation	
10	Program distributions.	\$5,347,000
11	TOTAL APPROPRIATION.	((\$529,471,000))
12		<u>\$486,013,100</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.** 2017 3rd sp.s. c 1 s 805 (uncodified) is amended to
17 read as 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 for fiscal year 2018, (~~(\$170,000,000)~~)
26 \$180,000,000 and this amount for fiscal year 2019,
27 (~~(\$180,000,000)~~) \$185,000,000. (~~(\$350,000,000)~~)
28 \$365,000,000

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 amount
32 for fiscal year 2018, \$120,000,000 and this amount
33 for fiscal year 2019, \$130,000,000. (~~(\$239,239,000)~~)
34 \$250,000,000

35 Aquatic Lands Enhancement Account: For transfer to
36 the clean up settlement account as repayment of
37 the loan provided in section 3022(2) chapter 2,
38 Laws of 2012, 2nd sp. sess. (ESB 6074 2012

1 supplemental capital budget), \$620,000 for fiscal
2 year 2018 and \$620,000 for fiscal year 2019. \$1,240,000
3 Tobacco Settlement Account: For transfer to the
4 state general fund, in an amount not to exceed the
5 actual amount of the annual base payment to the
6 tobacco settlement account for fiscal year 2018. . . . \$101,639,000
7 Tobacco Settlement Account: For transfer to the
8 state general fund, in an amount not to exceed the
9 actual amount of the annual base payment to the
10 tobacco settlement account for fiscal year 2019. . . . \$101,639,000
11 State Toxics Control Account: For transfer to the
12 cleanup settlement account as repayment of the
13 loan provided in section 3022(2) chapter 2,
14 Laws of 2012, 2nd sp. sess. (ESB 6074, 2012
15 supplemental capital budget), \$620,000 for
16 fiscal year 2018 and \$620,000 for fiscal
17 year 2019. \$1,240,000
18 General Fund: For transfer to the streamlined sales
19 and use tax account, (~~(\$11,171,000)~~) \$12,913,000
20 for fiscal year 2018 and (~~(\$8,641,000)~~) \$7,674,000
21 for fiscal year 2019. (~~(\$20,012,000)~~)
22 \$20,587,000
23 Aerospace Training and Student Loan Account: For
24 transfer to the state general fund, \$750,000
25 for fiscal year 2018 and \$750,000 for fiscal
26 year 2019. \$1,500,000
27 Disaster Response Account: For transfer to the state
28 general fund, \$42,000,000 for fiscal year 2018. . . . \$42,000,000
29 State Treasurer's Service Account: For transfer to the state
30 general fund, \$6,000,000 for fiscal year 2018 and
31 \$6,000,000 for fiscal year 2019. \$12,000,000
32 Statewide Information Tech System Maintenance and
33 Operations Revolving Account: For transfer to the
34 consolidated technology services revolving account,
35 \$5,500,000 for fiscal year 2018. \$5,500,000
36 General Fund: For transfer to the family and medical
37 leave insurance account as start-up costs for
38 the family and medical leave insurance program
39 pursuant to enactment of Substitute House Bill
40 No. 1116 (family and medical leave insurance),

1 Senate Bill No. 5975 (paid family and medical
2 leave insurance), or Senate Bill No. 5032
3 (family and medical leave insurance),
4 \$82,000,000 for fiscal year 2018. \$82,000,000
5 Family and Medical Leave Insurance Account: For
6 transfer to the General Fund as repayment for
7 start-up costs for the family and medical leave
8 insurance program pursuant to implementation of
9 Substitute House Bill No. 1116 (family and
10 medical leave insurance), Senate Bill No. 5975
11 (paid family and medical leave insurance),
12 or Senate Bill No. 5032 (family and medical
13 leave insurance), the lesser of the amount
14 determined by the treasurer for full repayment
15 of the \$82,000,000 transferred from the general
16 fund in fiscal year 2018 for start-up costs
17 with any related interest or this amount for
18 fiscal year 2019, \$90,000,000. \$90,000,000
19 Public Works Assistance Account: For transfer to the
20 education legacy trust account, \$136,998,000 for
21 fiscal year 2018 and \$117,017,000 for fiscal
22 year 2019. \$254,015,000
23 General Fund: For transfer to the firearms range
24 account for fiscal year 2018. \$75,000
25 (~~Death Investigations Account: For transfer to~~
26 ~~the state general fund, \$1,186,000 for~~
27 ~~fiscal year 2018. \$1,186,000~~)
28 New Motor Vehicle Arbitration Account: For transfer
29 to the state general fund, \$2,000,000 for fiscal
30 year 2018. \$2,000,000
31 Local Toxics Control Account: For transfer to the
32 state toxics control account, \$9,000,000 for
33 fiscal year 2018 and \$12,000,000 for fiscal
34 year 2019. \$21,000,000
35 Flood Control Assistance Account: For transfer to
36 the state general fund, \$1,000,000 for fiscal
37 year 2018 and \$1,000,000 for fiscal year 2019. \$2,000,000
38 State Toxics Control Account: For transfer to water
39 pollution control revolving account, \$3,000 for
40 fiscal year 2018. \$3,000

1 Aquatic Lands Enhancement Account: For transfer to
2 the geoduck aquaculture research account for
3 fiscal year 2019. \$200,000

(End of part)

PART IX
MISCELLANEOUS

Sec. 901. RCW 43.41.433 and 2017 3rd sp.s. c 1 s 950 are each amended to read as follows:

(1) The information technology investment revolving account is created in the custody of the state treasurer. All receipts from legislative appropriations and transfers must be deposited into the account. Only the director of financial management or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) Any residual balance of funds remaining in the information technology investment revolving account created in section 705, chapter 4, Laws of 2015 3rd sp. sess. and reenacted in subsection (1) of this section shall be transferred to the information technology investment revolving account created in subsection (1) of this section after June 30, 2017.

Sec. 902. 2017 3rd sp.s. c 1 s 936 (uncodified) is amended to read as follows:

**COMPENSATION—REPRESENTED EMPLOYEES—SUPER COALITION—INSURANCE
BENEFITS**

An agreement was reached for the 2017-2019 biennium between the governor and the health care super coalition under the provisions of chapter 41.80 RCW. Appropriations in this act for state agencies, including institutions of higher education, are sufficient to implement the provisions of the 2017-2019 collective bargaining agreement, and are subject to the following conditions and limitations:

(1) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$913 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate shall not exceed (~~(\$957)~~) \$906 per eligible employee.

(2) Except as provided by the parties' health care agreement, in order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other

1 changes to benefits consistent with RCW 41.05.065. The board shall
2 collect a twenty-five dollar per month surcharge payment from members
3 who use tobacco products and a surcharge payment of not less than
4 fifty dollars per month from members who cover a spouse or domestic
5 partner where the spouse or domestic partner has chosen not to enroll
6 in another employer-based group health insurance that has benefits
7 and premiums with an actuarial value of not less than 95 percent of
8 the actuarial value of the public employees' benefits board plan with
9 the largest enrollment. The surcharge payments shall be collected in
10 addition to the member premium payment.

11 (3) The health care authority shall deposit any moneys received
12 on behalf of the uniform medical plan as a result of rebates on
13 prescription drugs, audits of hospitals, subrogation payments, or any
14 other moneys recovered as a result of prior uniform medical plan
15 claims payments, into the public employees' and retirees' insurance
16 account to be used for insurance benefits. Such receipts may not be
17 used for administrative expenditures.

18 **Sec. 903.** 2017 3rd sp.s. c 1 s 937 (uncodified) is amended to
19 read as follows:

20 **COMPENSATION—REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION—INSURANCE**
21 **BENEFITS**

22 Appropriations for state agencies in this act are sufficient for
23 represented employees outside the super coalition for health
24 benefits, and are subject to the following conditions and
25 limitations:

26 (1) The monthly employer funding rate for insurance benefit
27 premiums, public employees' benefits board administration, and the
28 uniform medical plan, may not exceed \$913 per eligible employee for
29 fiscal year 2018. For fiscal year 2019, the monthly employer funding
30 rate may not exceed (~~(\$957)~~) \$906 per eligible employee.

31 (2) In order to achieve the level of funding provided for health
32 benefits, the public employees' benefits board shall require any or
33 all of the following: Employee premium copayments, increases in
34 point-of-service cost sharing, the implementation of managed
35 competition, or other changes to benefits consistent with RCW
36 41.05.065. The board shall collect a twenty-five dollar per month
37 surcharge payment from members who use tobacco products and a
38 surcharge payment of not less than fifty dollars per month from
39 members who cover a spouse or domestic partner where the spouse or

1 domestic partner has chosen not to enroll in another employer-based
2 group health insurance that has benefits and premiums with an
3 actuarial value of not less than 95 percent of the actuarial value of
4 the public employees' benefits board plan with the largest
5 enrollment. The surcharge payments shall be collected in addition to
6 the member premium payment.

7 (3) The health care authority shall deposit any moneys received
8 on behalf of the uniform medical plan as a result of rebates on
9 prescription drugs, audits of hospitals, subrogation payments, or any
10 other moneys recovered as a result of prior uniform medical plan
11 claims payments, into the public employees' and retirees' insurance
12 account to be used for insurance benefits. Such receipts may not be
13 used for administrative expenditures.

14 **Sec. 904.** 2017 3rd sp.s. c 1 s 942 (uncodified) is amended to
15 read as follows:

16 **COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS**

17 Appropriations for state agencies in this act are sufficient for
18 nonrepresented state employee health benefits for state agencies,
19 including institutions of higher education, and are subject to the
20 following conditions and limitations:

21 (1)(a) The monthly employer funding rate for insurance benefit
22 premiums, public employees' benefits board administration, and the
23 uniform medical plan, may not exceed \$913 per eligible employee for
24 fiscal year 2018. For fiscal year 2019, the monthly employer funding
25 rate may not exceed (~~(\$957)~~) \$906 per eligible employee.

26 (b) In order to achieve the level of funding provided for health
27 benefits, the public employees' benefits board shall require any or
28 all of the following: Employee premium copayments, increases in
29 point-of-service cost sharing, the implementation of managed
30 competition, or make other changes to benefits consistent with RCW
31 41.05.065. The board shall collect a twenty-five dollar per month
32 surcharge payment from members who use tobacco products and a
33 surcharge payment of not less than fifty dollars per month from
34 members who cover a spouse or domestic partner where the spouse or
35 domestic partner has chosen not to enroll in another employer-based
36 group health insurance that has benefits and premiums with an
37 actuarial value of not less than 95 percent of the actuarial value of
38 the public employees' benefits board plan with the largest
39 enrollment. The surcharge payments shall be collected in addition to

1 the member premium payment. All savings resulting from reduced claim
2 costs or other factors identified after December 31, 2016, must be
3 reserved for reducing expenditures in the current biennium, or for
4 funding employee health benefits in the 2019-2021 fiscal biennium,
5 and shall not be used to increase benefits, except as provided in (c)
6 of this subsection.

7 (c) The funding is sufficient for a new virtual diabetes
8 prevention program, and for a change in the waiting period for dental
9 crown replacements in the uniform dental program from seven years to
10 five years.

11 (d) The health care authority shall deposit any moneys received
12 on behalf of the uniform medical plan as a result of rebates on
13 prescription drugs, audits of hospitals, subrogation payments, or any
14 other moneys recovered as a result of prior uniform medical plan
15 claims payments, into the public employees' and retirees' insurance
16 account to be used for insurance benefits. Such receipts may not be
17 used for administrative expenditures.

18 (2) The health care authority, subject to the approval of the
19 public employees' benefits board, shall provide subsidies for health
20 benefit premiums to eligible retired or disabled public employees and
21 school district employees who are eligible for medicare, pursuant to
22 RCW 41.05.085. For calendar years 2018 and 2019, the subsidy shall be
23 up to \$150 per month. The public employees' benefits board may not
24 authorize under RCW 41.05.085, and the health care authority may not
25 provide, a subsidy under this subsection of more than \$150 per month.
26 Funds from reserves accumulated for future adverse claims experience,
27 from past favorable claims experience, or otherwise, may not be used
28 to increase this retiree subsidy beyond what is authorized by the
29 legislature in this subsection.

30 (3) Technical colleges, school districts, and educational service
31 districts shall remit to the health care authority for deposit into
32 the public employees' and retirees' insurance account established in
33 RCW 41.05.120 the following amounts:

34 (a) For each full-time employee, \$64.07 per month beginning
35 September 1, 2017, and (~~(\$68.67)~~) \$69.57 beginning September 1, 2018;

36 (b) For each part-time employee, who at the time of the
37 remittance is employed in an eligible position as defined in RCW
38 41.32.010 or 41.40.010 and is eligible for employer fringe benefit
39 contributions for basic benefits, \$64.07 each month beginning
40 September 1, 2017, and (~~(\$68.67)~~) \$69.57 beginning September 1, 2018,

1 prorated by the proportion of employer fringe benefit contributions
2 for a full-time employee that the part-time employee receives. The
3 remittance requirements specified in this subsection do not apply to
4 employees of a technical college, school district, or educational
5 service district who purchase insurance benefits through contracts
6 with the health care authority.

7 **Sec. 905.** RCW 43.79.445 and 2017 3rd sp.s. c 1 s 970 are each
8 amended to read as follows:

9 There is established an account in the state treasury referred to
10 as the "death investigations account" which shall exist for the
11 purpose of receiving, holding, investing, and disbursing funds
12 appropriated or provided in RCW 70.58.107 and any moneys appropriated
13 or otherwise provided thereafter.

14 Moneys in the death investigations account shall be disbursed by
15 the state treasurer once every year on December 31 and at any other
16 time determined by the treasurer. The treasurer shall make
17 disbursements to: The state toxicology laboratory, counties for the
18 cost of autopsies, the state patrol for providing partial funding for
19 the state dental identification system, the criminal justice training
20 commission for training county coroners, medical examiners and their
21 staff, and the state forensic investigations council. Funds from the
22 death investigations account may be appropriated during the 2013-2015
23 fiscal biennium for the activities of the state crime laboratory
24 within the Washington state patrol. (~~In addition, during the~~
25 ~~2017-2019 fiscal biennium, the legislature may direct the state~~
26 ~~treasurer to make transfers of moneys in the death investigations~~
27 ~~account to the state general fund.))~~

28 **Sec. 906.** RCW 80.36.690 and 2013 2nd sp.s. c 8 s 208 are each
29 amended to read as follows:

30 (1) The universal communications services account is created in
31 the custody of the state treasurer. Revenues to the account consist
32 of moneys deposited in the account by the legislature and any
33 penalties or other recoveries received pursuant to RCW 80.36.670.
34 Expenditures from the account may be used only for the purposes of
35 the universal communications services program established in RCW
36 80.36.650. During the 2017-19 biennium, expenditures from the account
37 may also be used for grants to local governments and federally
38 recognized tribes to provide high-speed, open access broadband

1 services to rural and underserved communities. Only the secretary of
2 the commission or the secretary's designee may authorize expenditures
3 from the account. The account is subject to allotment procedures
4 under chapter 43.88 RCW, but an appropriation is not required for
5 expenditures.

6 (2) This section expires July 1, 2020.

7 **Sec. 907.** RCW 28B.20.476 and 2013 2nd sp.s. c 4 s 960 are each
8 amended to read as follows:

9 The geoduck aquaculture research account is created in the
10 custody of the state treasurer. All receipts from any legislative
11 appropriations, the aquaculture industry, or any other private or
12 public source directed to the account must be deposited in the
13 account. Expenditures from the account may only be used by the sea
14 grant program for the geoduck research projects identified by RCW
15 28B.20.475. Only the president of the University of Washington or the
16 president's designee may authorize expenditures from the account. The
17 account is subject to the allotment procedures under chapter 43.88
18 RCW, but an appropriation is not required for expenditures. During
19 the ((2013-2015)) 2017-2019 fiscal biennium, amounts available in the
20 geoduck aquaculture research account may also be appropriated for the
21 sea grant program at the University of Washington to conduct research
22 examining the possible negative and positive effects of evolving
23 shellfish aquaculture techniques and practices on Washington's
24 economy and marine ecosystems.

25 **Sec. 908.** 2017 3rd sp.s. c 1 s 944 (uncodified) is amended to
26 read as follows:

27 **INITIATIVE 732 COST-OF-LIVING INCREASES**

28 Part IX of this act authorizes general wage increases for state
29 employees covered by Initiative Measure No. 732. The general wage
30 increases on July 1, 2017, and July 1, 2018, provide a portion of the
31 annual cost-of-living adjustments required under Initiative Measure
32 No. 732. Funding is also provided for additional increases of three-
33 tenths of a percent on July 1, 2017, and ((seven-tenths)) nine-tenths
34 of a percent on July 1, 2018, for cost-of-living adjustments under
35 the initiative. Funding is provided for a salary increase on January
36 1, 2019, of ((one)) eight-tenths of a percent for these employees,
37 for a nominal total of a six percent increase during the 2017-2019
38 fiscal biennium.

1 NEW SECTION. **Sec. 909.** A new section is added to 2017 3rd sp.s.
2 c 1 (uncodified) to read as follows:

3 A paid family and medical leave program was created by chapter 5,
4 Laws of 2017 3rd sp. sess. The state, as an employer, will be
5 responsible for payment of employer premiums for employees beginning
6 January 1, 2019, other than those covered by a collective bargaining
7 agreement. Funding is provided for this obligation, and for an
8 additional employer contribution for employee premiums for
9 nonrepresented employees earning less than the equivalent of \$34,060
10 annually.

11 NEW SECTION. **Sec. 910.** A new section is added to 2017 3rd sp.s.
12 c 1 (uncodified) to read as follows:

13 Appropriations to state agencies include funding for an increase
14 in pension contribution rates for several state pension systems. An
15 increase of thirteen one-hundredths of one-percent is funded for
16 state employer contributions to the public employees' and public
17 safety employees' retirement systems. An increase of twenty-six one-
18 hundredths of one percent is funded for school employer contributions
19 to the teachers' retirement system and an increase of thirteen one-
20 hundredths of one percent for employer contributions to the school
21 employees' retirement system. These increases are provided for the
22 purpose of a one-time, ongoing pension increase for retirees in the
23 public employees' retirement system plan 1 and teachers' retirement
24 system plan 1.

25 **Sec. 911.** RCW 41.26.802 and 2017 3rd sp.s. c 1 s 964 are each
26 amended to read as follows:

27 ~~((1) By September 30, 2011, if the prior fiscal biennium's~~
28 ~~general state revenues exceed the previous fiscal biennium's revenues~~
29 ~~by more than five percent, subject to appropriation by the~~
30 ~~legislature, the state treasurer shall transfer five million dollars~~
31 ~~to the local public safety enhancement account.~~

32 ~~(2))~~) By September 30, ~~((2019))~~ 2018, and by September 30 of each
33 odd-numbered year thereafter, if the prior fiscal biennium's general
34 state revenues exceed the previous fiscal biennium's revenues by more
35 than five percent, subject to appropriation by the legislature, the
36 state treasurer shall transfer the lesser of one-third of the
37 increase, or fifty million dollars, to the local public safety
38 enhancement account.

1 NEW SECTION. **Sec. 912.** It is the intent of the legislature to
2 transfer one billion five hundred thousand dollars from the carbon
3 pollution reduction account to the general fund in the 2019-2021
4 fiscal biennium. To the extent possible, these funds will be used for
5 expenditures related to clean energy, natural resources, and the
6 environment.

7 **Sec. 913.** RCW 70.105D.070 and 2017 3rd sp.s. c 1 s 980 are each
8 amended to read as follows:

9 (1) The state toxics control account and the local toxics control
10 account are hereby created in the state treasury.

11 (2)(a) Moneys collected under RCW 82.21.030 must be deposited as
12 follows: Fifty-six percent to the state toxics control account under
13 subsection (3) of this section and forty-four percent to the local
14 toxics control account under subsection (4) of this section. When the
15 cumulative amount of deposits made to the state and local toxics
16 control accounts under this section reaches the limit during a fiscal
17 year as established in (b) of this subsection, the remainder of the
18 moneys collected under RCW 82.21.030 during that fiscal year must be
19 deposited into the environmental legacy stewardship account created
20 in RCW 70.105D.170.

21 (b) The limit on distributions of moneys collected under RCW
22 82.21.030 to the state and local toxics control accounts for the
23 fiscal year beginning July 1, 2013, is one hundred forty million
24 dollars.

25 (c) In addition to the funds required under (a) of this
26 subsection, the following moneys must be deposited into the state
27 toxics control account: (i) The costs of remedial actions recovered
28 under this chapter or chapter 70.105A RCW; (ii) penalties collected
29 or recovered under this chapter; and (iii) any other money
30 appropriated or transferred to the account by the legislature.

31 (3) Moneys in the state toxics control account must be used only
32 to carry out the purposes of this chapter, including but not limited
33 to the following activities:

34 (a) The state's responsibility for hazardous waste planning,
35 management, regulation, enforcement, technical assistance, and public
36 education required under chapter 70.105 RCW;

37 (b) The state's responsibility for solid waste planning,
38 management, regulation, enforcement, technical assistance, and public
39 education required under chapter 70.95 RCW;

- 1 (c) The hazardous waste clean-up program required under this
2 chapter;
- 3 (d) State matching funds required under federal cleanup law;
- 4 (e) Financial assistance for local programs in accordance with
5 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;
- 6 (f) State government programs for the safe reduction, recycling,
7 or disposal of paint and hazardous wastes from households, small
8 businesses, and agriculture;
- 9 (g) Oil and hazardous materials spill prevention, preparedness,
10 training, and response activities;
- 11 (h) Water and environmental health protection and monitoring
12 programs;
- 13 (i) Programs authorized under chapter 70.146 RCW;
- 14 (j) A public participation program;
- 15 (k) Public funding to assist potentially liable persons to pay
16 for the costs of remedial action in compliance with clean-up
17 standards under RCW 70.105D.030(2)(e) but only when the amount and
18 terms of such funding are established under a settlement agreement
19 under RCW 70.105D.040(4) and when the director has found that the
20 funding will achieve both: (i) A substantially more expeditious or
21 enhanced cleanup than would otherwise occur; and (ii) the prevention
22 or mitigation of unfair economic hardship;
- 23 (l) Development and demonstration of alternative management
24 technologies designed to carry out the hazardous waste management
25 priorities of RCW 70.105.150;
- 26 (m) State agriculture and health programs for the safe use,
27 reduction, recycling, or disposal of pesticides;
- 28 (n) Stormwater pollution control projects and activities that
29 protect or preserve existing remedial actions or prevent hazardous
30 clean-up sites;
- 31 (o) Funding requirements to maintain receipt of federal funds
32 under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et
33 seq.);
- 34 (p) Air quality programs and actions for reducing public exposure
35 to toxic air pollution;
- 36 (q) Public funding to assist prospective purchasers to pay for
37 the costs of remedial action in compliance with clean-up standards
38 under RCW 70.105D.030(2)(e) if:
- 39 (i) The facility is located within a redevelopment opportunity
40 zone designated under RCW 70.105D.150;

1 (ii) The amount and terms of the funding are established under a
2 settlement agreement under RCW 70.105D.040(5); and

3 (iii) The director has found the funding meets any additional
4 criteria established in rule by the department, will achieve a
5 substantially more expeditious or enhanced cleanup than would
6 otherwise occur, and will provide a public benefit in addition to
7 cleanup commensurate with the scope of the public funding;

8 (r) Petroleum-based plastic or expanded polystyrene foam debris
9 cleanup activities in fresh or marine waters;

10 (s) Appropriations to the local toxics control account or the
11 environmental legacy stewardship account created in RCW 70.105D.170,
12 if the legislature determines that priorities for spending exceed
13 available funds in those accounts;

14 (t) During the ~~((2015-2017-and))~~ 2017-2019 fiscal ~~((biennia))~~
15 biennium, the department of ecology's water quality, shorelands,
16 environmental assessment, administration, and air quality programs;

17 ~~((During the 2013-2015 fiscal biennium, actions at the state
18 conservation commission to improve water quality for shellfish;~~

19 ~~(v) During the 2013-2015 and 2015-2017 fiscal biennia, actions at
20 the University of Washington for reducing ocean acidification;~~

21 ~~(w))~~ During the ~~((2015-2017-and))~~ 2017-2019 fiscal ~~((biennia))~~
22 biennium, for the University of Washington Tacoma soil remediation
23 project; and

24 ~~((x) For the 2013-2015 fiscal biennium, moneys in the state
25 toxics control account may be spent on projects in section 3160,
26 chapter 19, Laws of 2013 2nd sp. sess. and for transfer to the local
27 toxics control account;~~

28 ~~(y) For the 2013-2015 fiscal biennium, moneys in the state toxics
29 control account may be transferred to the radioactive mixed waste
30 account; and~~

31 ~~(z))~~ (v) For the ~~((2015-2017-and))~~ 2017-2019 fiscal ~~((biennia))~~
32 biennium, forest practices regulation at the department of natural
33 resources.

34 (4)(a) The department shall use moneys deposited in the local
35 toxics control account for grants or loans to local governments for
36 the following purposes in descending order of priority:

37 (i) Extended grant agreements entered into under ~~((e))~~ (c)(i)
38 of this subsection;

1 (ii) Remedial actions, including planning for adaptive reuse of
2 properties as provided for under ~~((e))~~ (c)(iv) of this subsection.

3 The department must prioritize funding of remedial actions at:

4 (A) Facilities on the department's hazardous sites list with a
5 high hazard ranking for which there is an approved remedial action
6 work plan or an equivalent document under federal cleanup law;

7 (B) Brownfield properties within a redevelopment opportunity zone
8 if the local government is a prospective purchaser of the property
9 and there is a department-approved remedial action work plan or
10 equivalent document under the federal cleanup law;

11 (iii) Stormwater pollution source projects that: (A) Work in
12 conjunction with a remedial action; (B) protect completed remedial
13 actions against recontamination; or (C) prevent hazardous clean-up
14 sites;

15 (iv) Hazardous waste plans and programs under chapter 70.105 RCW;

16 (v) Solid waste plans and programs under chapters 70.95, 70.95C,
17 70.95I, and 70.105 RCW;

18 (vi) Petroleum-based plastic or expanded polystyrene foam debris
19 cleanup activities in fresh or marine waters; and

20 (vii) Appropriations to the state toxics control account or the
21 environmental legacy stewardship account created in RCW 70.105D.170,
22 if the legislature determines that priorities for spending exceed
23 available funds in those accounts.

24 (b) Funds for plans and programs must be allocated consistent
25 with the priorities and matching requirements established in chapters
26 70.105, 70.95C, 70.95I, and 70.95 RCW.

27 ~~(c) ((During the 2013-2015 fiscal biennium, the local toxics
28 control account may also be used for local government stormwater
29 planning and implementation activities.~~

30 ~~(d) During the 2013-2015 fiscal biennium, the legislature may
31 transfer from the local toxics control account to the state general
32 fund, such amounts as reflect the excess fund balance in the account.~~

33 ~~(e))~~ To expedite cleanups throughout the state, the department
34 may use the following strategies when providing grants to local
35 governments under this subsection:

36 (i) Enter into an extended grant agreement with a local
37 government conducting remedial actions at a facility where those
38 actions extend over multiple biennia and the total eligible cost of
39 those actions exceeds twenty million dollars. The agreement is
40 subject to the following limitations:

1 (A) The initial duration of such an agreement may not exceed ten
2 years. The department may extend the duration of such an agreement
3 upon finding substantial progress has been made on remedial actions
4 at the facility;

5 (B) Extended grant agreements may not exceed fifty percent of the
6 total eligible remedial action costs at the facility; and

7 (C) The department may not allocate future funding to an extended
8 grant agreement unless the local government has demonstrated to the
9 department that funds awarded under the agreement during the previous
10 biennium have been substantially expended or contracts have been
11 entered into to substantially expend the funds;

12 (ii) Enter into a grant agreement with a local government
13 conducting a remedial action that provides for periodic reimbursement
14 of remedial action costs as they are incurred as established in the
15 agreement;

16 (iii) Enter into a grant agreement with a local government prior
17 to it acquiring a property or obtaining necessary access to conduct
18 remedial actions, provided the agreement is conditioned upon the
19 local government acquiring the property or obtaining the access in
20 accordance with a schedule specified in the agreement;

21 (iv) Provide integrated planning grants to local governments to
22 fund studies necessary to facilitate remedial actions at brownfield
23 properties and adaptive reuse of properties following remediation.
24 Eligible activities include, but are not limited to: Environmental
25 site assessments; remedial investigations; health assessments;
26 feasibility studies; site planning; community involvement; land use
27 and regulatory analyses; building and infrastructure assessments;
28 economic and fiscal analyses; and any environmental analyses under
29 chapter 43.21C RCW;

30 (v) Provide grants to local governments for remedial actions
31 related to area-wide groundwater contamination. To receive the
32 funding, the local government does not need to be a potentially
33 liable person or be required to seek reimbursement of grant funds
34 from a potentially liable person;

35 (vi) The director may alter grant matching requirements to create
36 incentives for local governments to expedite cleanups when one of the
37 following conditions exists:

38 (A) Funding would prevent or mitigate unfair economic hardship
39 imposed by the clean-up liability;

1 (B) Funding would create new substantial economic development,
2 public recreational opportunities, or habitat restoration
3 opportunities that would not otherwise occur; or

4 (C) Funding would create an opportunity for acquisition and
5 redevelopment of brownfield property under RCW 70.105D.040(5) that
6 would not otherwise occur;

7 (vii) When pending grant applications under ~~((e))~~ (c)(iv) and
8 (v) of this subsection (4) exceed the amount of funds available,
9 designated redevelopment opportunity zones must receive priority for
10 distribution of available funds.

11 ~~((f))~~ (d) To expedite multiparty clean-up efforts, the
12 department may purchase remedial action cost-cap insurance. ~~((For the~~
13 ~~2013-2015 fiscal biennium, moneys in the local toxics control account~~
14 ~~may be spent on projects in sections 3024, 3035, 3036, and 3059,~~
15 ~~chapter 19, Laws of 2013 2nd sp. sess.))~~

16 (5) Except for unanticipated receipts under RCW 43.79.260 through
17 43.79.282, moneys in the state and local toxics control accounts may
18 be spent only after appropriation by statute.

19 (6) No moneys deposited into either the state or local toxics
20 control account may be used for: Natural disasters where there is no
21 hazardous substance contamination; high performance buildings; solid
22 waste incinerator facility feasibility studies, construction,
23 maintenance, or operation; or ~~((after January 1, 2010, for))~~ projects
24 designed to address the restoration of Puget Sound, funded in a
25 competitive grant process, that are in conflict with the action
26 agenda developed by the Puget Sound partnership under RCW 90.71.310.
27 However, this subsection does not prevent an appropriation from the
28 state toxics control account to the department of revenue to enforce
29 compliance with the hazardous substance tax imposed in chapter 82.21
30 RCW.

31 ~~((Except during the 2011-2013 and the 2015-2017 fiscal~~
32 ~~biennia,))~~ One percent of the moneys collected under RCW 82.21.030
33 shall be allocated only for public participation grants to persons
34 who may be adversely affected by a release or threatened release of a
35 hazardous substance and to not-for-profit public interest
36 organizations. The primary purpose of these grants is to facilitate
37 the participation by persons and organizations in the investigation
38 and remedying of releases or threatened releases of hazardous
39 substances and to implement the state's solid and hazardous waste
40 management priorities. No grant may exceed sixty thousand dollars.

1 Grants may be renewed annually. Moneys appropriated for public
2 participation that are not expended at the close of any biennium
3 revert to the state toxics control account.

4 (8) The department shall adopt rules for grant or loan issuance
5 and performance. To accelerate both remedial action and economic
6 recovery, the department may expedite the adoption of rules necessary
7 to implement chapter 1, Laws of 2013 2nd sp. sess. using the
8 expedited procedures in RCW 34.05.353. The department shall initiate
9 the award of financial assistance by August 1, 2013. To ensure the
10 adoption of rules will not delay financial assistance, the department
11 may administer the award of financial assistance through interpretive
12 guidance pending the adoption of rules through July 1, 2014.

13 (9) Except as provided under subsection (3)(k) and (q) of this
14 section, nothing in chapter 1, Laws of 2013 2nd sp. sess. affects the
15 ability of a potentially liable person to receive public funding.

16 ~~(10) ((During the 2015-2017 fiscal biennium the local toxics
17 control account may also be used for the centennial clean water
18 program and for the stormwater financial assistance program
19 administered by the department of ecology.~~

20 ~~(11))~~ During the 2017-2019 biennium:

21 (a) The state toxics control account, the local toxics control
22 account, and the environmental legacy stewardship account may be used
23 for interchangeable purposes and funds may be transferred between
24 accounts to accomplish those purposes.

25 (b) The legislature may direct the state treasurer to make
26 transfers of moneys in the state toxics control account to the water
27 pollution control revolving account.

28 **Sec. 914.** RCW 79.105.150 and 2017 3rd sp.s. c 1 s 987 are each
29 amended to read as follows:

30 (1) After deduction for management costs as provided in RCW
31 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys
32 received by the state from the sale or lease of state-owned aquatic
33 lands and from the sale of valuable material from state-owned aquatic
34 lands shall be deposited in the aquatic lands enhancement account
35 which is hereby created in the state treasury. After appropriation,
36 these funds shall be used solely for aquatic lands enhancement
37 projects; for the purchase, improvement, or protection of aquatic
38 lands for public purposes; for providing and improving access to the
39 lands; and for volunteer cooperative fish and game projects. During

1 the ((2013-2015, 2015-2017, and)) 2017-2019 fiscal ((biennia))
2 biennium, the aquatic lands enhancement account may be used to
3 support the shellfish program, the ballast water program, hatcheries,
4 the Puget Sound toxic sampling program and steelhead mortality
5 research at the department of fish and wildlife, the knotweed program
6 at the department of agriculture, actions at the University of
7 Washington for reducing ocean acidification, which may include the
8 creation of a center on ocean acidification, the Puget SoundCorps
9 program, and support of the marine resource advisory council and the
10 Washington coastal marine advisory council. During the ((2013-2015))
11 2017-2019 fiscal biennium, the legislature may transfer from the
12 aquatic lands enhancement account to the geoduck aquaculture research
13 account for research related to shellfish aquaculture. ((During the
14 2015-2017 fiscal biennium, the legislature may transfer moneys from
15 the aquatic lands enhancement account to the marine resources
16 stewardship trust account.))

17 (2) In providing grants for aquatic lands enhancement projects,
18 the recreation and conservation funding board shall:

19 (a) Require grant recipients to incorporate the environmental
20 benefits of the project into their grant applications;

21 (b) Utilize the statement of environmental benefits,
22 consideration, except as provided in RCW 79.105.610, of whether the
23 applicant is a Puget Sound partner, as defined in RCW 90.71.010,
24 whether a project is referenced in the action agenda developed by the
25 Puget Sound partnership under RCW 90.71.310, and except as otherwise
26 provided in RCW 79.105.630, and effective one calendar year following
27 the development and statewide availability of model evergreen
28 community management plans and ordinances under RCW 35.105.050,
29 whether the applicant is an entity that has been recognized, and what
30 gradation of recognition was received, in the evergreen community
31 recognition program created in RCW 35.105.030 in its prioritization
32 and selection process; and

33 (c) Develop appropriate outcome-focused performance measures to
34 be used both for management and performance assessment of the grants.

35 (3) To the extent possible, the department should coordinate its
36 performance measure system with other natural resource-related
37 agencies as defined in RCW 43.41.270.

38 (4) The department shall consult with affected interest groups in
39 implementing this section.

1 (5) (~~After January 1, 2010,~~) Any project designed to address
2 the restoration of Puget Sound may be funded under this chapter only
3 if the project is not in conflict with the action agenda developed by
4 the Puget Sound partnership under RCW 90.71.310.

5 **Sec. 915.** RCW 86.26.007 and 2015 3rd sp.s. c 4 s 978 are each
6 amended to read as follows:

7 The flood control assistance account is hereby established in the
8 state treasury. (~~At the beginning of the 2005-2007 fiscal biennium,~~
9 ~~the state treasurer shall transfer three million dollars from the~~
10 ~~general fund to the flood control assistance account.~~) Each biennium
11 (~~thereafter~~) the state treasurer shall transfer four million
12 dollars from the general fund to the flood control assistance
13 account(~~, except that during the 2011-2013 fiscal biennium, the~~
14 ~~state treasurer shall transfer one million dollars from the general~~
15 ~~fund to the flood control assistance account~~). Moneys in the flood
16 control assistance account may be spent only after appropriation for
17 purposes specified under this chapter. (~~During the 2013-2015 fiscal~~
18 ~~biennium and the 2015-2017 fiscal biennium, the legislature may~~
19 ~~transfer from the flood control assistance account to the state~~
20 ~~general fund such amounts as reflect the excess fund balance of the~~
21 ~~account.~~) During the 2017-2019 fiscal biennium, the legislature may
22 direct the state treasurer to make transfers of moneys in the flood
23 control assistance account to the state general fund.

24 NEW SECTION. **Sec. 916.** If any provision of this act or its
25 application to any person or circumstance is held invalid, the
26 remainder of the act or the application of the provision to other
27 persons or circumstances is not affected.

28 NEW SECTION. **Sec. 917.** This act is necessary for the immediate
29 preservation of the public peace, health, or safety, or support of
30 the state government and its existing public institutions, and takes
31 effect immediately.

(End of part)

(End of Bill)

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