

SIXTY THIRD LEGISLATURE - REGULAR SESSION

SIXTIETH DAY

House Chamber, Olympia, Thursday, March 13, 2014

The House was called to order at 10:00 a.m. by the Speaker (Representative Moeller presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Bella Rood and Preston Eder. The Speaker (Representative Moeller presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Prosper Mdashuriye, Evangelical Church of Central Africa, Bujumburn, Burundi.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

RESOLUTION

HOUSE RESOLUTION NO. 4669, by Representatives **Chopp, Kristiansen, Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, G. Hunt, S. Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, and Zeiger**

WHEREAS, Gary Alexander is a native Washingtonian, born in Seattle and educated at two of Washington state's finest institutions of higher learning, the University of Washington and Pacific Lutheran University, making him not a three dog night, but a solo Dog Knight; and

WHEREAS, Gary's business career spans over 40 years as an industrial engineer for Boeing, a financial manager with five state agencies, CFO of Behavioral Health Resources, regional finance officer for Philip Environmental Services, and Auditor and Deputy Auditor for Thurston County; and

WHEREAS, Gary's community involvement includes former and current positions with the Board of Directors for Thurston County Boys and Girls Club, the North Thurston Kiwanis, the Board of Directors for the Washington State Historical Society, the Advisory Board for Pacific Lutheran University School of Business, the Advisory Board for the Washington Small Business Development Council, Chairman and Board Member of the Washington State Employees Credit Union, Member of the Lewis County Flood Control Task Force, Board Member for the Thurston County Economic Development Council, and as an Olympia Port Commissioner; and

WHEREAS, Since 1996, various citizens in the 20th and 2nd Legislative Districts, which included Lewis, Thurston, and Pierce counties, have at times been enlightened with extraterrestrial

knowledge leading them to choose Gary Alexander to represent their interests in the state House; and

WHEREAS, Gary's business experience and penchant for recalling inconsequential and minute budgetary matters led him to be known as The Budget Guru, The Walking Abacus, The Baron of Braces, The Monarch of Multivariable Analysis, The King of Kappa, The Big Kahuna of Brackets, The Emperor of Essential Discontinuity, and The Master of Mathematical Matrices; and

WHEREAS, Gary actually knows and understands the following terms: Per Annum, Interquartile Range, Disjoint Sets, Harmonic Mean, Interval Notation, Transcendental Numbers, Normalizing a Vector, Binomial Coefficients, Modular Equivalence, and Box and Whisker Plots; and

WHEREAS, Gary is smarter than you; and

WHEREAS, Gary's quick mind, warm smile, and hearty laugh endeared him to members and staff on both sides of the aisle and in both legislative chambers; and

WHEREAS, Gary's love for the legislative institution, his respect for all members and staff, his eagerness to serve the public, and his genuine distaste for partisan bickering made him a unique and stalwart member of the Washington State House of Representatives;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives honor and recognize Gary Alexander for his many years of service, his poignant floor speeches, his mathematical acumen, and his demeanor as a true statesman; and

BE IT FURTHER RESOLVED, That a copy of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Gary Alexander, his lovely wife, Donna, and their two small dogs, Sophie and Molly.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4669.

HOUSE RESOLUTION NO. 4669 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 4697, by Representatives **Chopp, Kristiansen, Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, G. Hunt, S. Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, and Zeiger**

WHEREAS, Larry Crouse served the Fourth Legislative District in the Washington State House of Representatives with distinction and honor from 1995 to 2013; and

WHEREAS, Larry Crouse was the longest serving Republican member of the House of Representatives at the time of his departure from the Legislature; and

WHEREAS, Larry Crouse was a trusted colleague, mentor, and friend to many in the House of Representatives; and

WHEREAS, Larry Crouse served as Chair, Cochair, and Ranking Member of the energy and telecommunications committees during his tenure; and

WHEREAS, During that tenure, his wisdom and calming influence helped steer our state through the upheavals in the energy market that brought havoc to other regions of the country; and

WHEREAS, Larry Crouse did not take up valuable time on the House floor with long-winded speeches; and

WHEREAS, Larry Crouse remembers what it was like for Republicans to have the majority in the House of Representatives; and

WHEREAS, Larry Crouse contributed to the alertness and happiness of fellow members during long floor sessions by surreptitiously distributing peanut M&Ms to the desk drawers of his neighbors on the floor; and

WHEREAS, Larry Crouse took extra care to not squash Representative John McCoy's mini Smart Car when parking next to him with his Ford 450, two-ton diesel truck; and

WHEREAS, Larry Crouse was never concerned about receiving recognition for his accomplishments in the Legislature and sought out other members to sponsor bills brought to him—even the good bills; and

WHEREAS, Larry Crouse showed respect to members from both sides of the aisle and always endeavored to put good policy ahead of party affiliation; and

WHEREAS, Larry Crouse slipped away into well-deserved retirement with his wonderful wife, Peggy, without customary fanfare or due recognition from his colleagues in the House of Representatives;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives recognize Larry Crouse for his years of faithful service to the state of Washington and for representing the people of the Fourth Legislative District with integrity and honor; and

BE IT FURTHER RESOLVED, That a copy of this Resolution be transmitted by the Chief Clerk of the House of Representatives to the honorable Larry Crouse.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4697.

HOUSE RESOLUTION NO. 4697 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 4703, by Representatives Parker, Riccelli, and Ormsby

WHEREAS, This resolution is to congratulate the Gonzaga University Men's Basketball Team on its 13th West Coast Conference (WCC) Championship as well as the Gonzaga University Women's Basketball Team on its sixth WCC Championship in seven years; and

WHEREAS, Gonzaga University Men's and Women's Basketball Teams have now secured berths in upcoming NCAA Tournaments; and

WHEREAS, The NCAA Basketball Tournaments are fun and intense competitions that culminate in Final Fours and eventual

national champions. Gonzaga's basketball teams are no strangers to NCAA tournament madness. 2014 marks the women's seventh appearance and the Zag men's seventeenth appearance in the Tournament; and

WHEREAS, We honor the Gonzaga University Men's and Women's Basketball Teams for their excellence not only on the court — but also off the court; and

WHEREAS, The success of Gonzaga University Men's and Women's Basketball Teams have brought pride, strength, and excitement to Spokane and fans across the country; and

WHEREAS, We also honor Gonzaga University Men's Head Basketball Coach Mark Few and Women's Head Basketball Coach Kelly Graves and acknowledge their leadership and the positive influence they have on their players, fans, and communities; and

WHEREAS, The members of the Gonzaga University Men's Basketball Team are: Gerard Coleman, Angel Nunez, Kyle Dranginis, Kevin Pangos, Gary Bell, Jr., David Stockton, Connor Griffin, Rem Bakamus, Luke Meikle, Brian Bhaskar, Leo Roesse, Przemek Karnowski, Ryan Edwards, Kyle Wiltjer, Sam Dower, Jr., Dustin Triano, and Drew Barham; and

WHEREAS, The members of the Gonzaga University Women's Basketball Team are: Chelsea Waters, Haiden Palmer, Maiki Viela, Danielle Walter, Laura Sullivan, Emma Wolfram, Sunny Greinacher, Shaniqua Nilles, Kiara Kudron, Keani Albanez, Stephanie Golden, Elle Tinkle, Lindsay Sherbert, Jazmine Redmon, and Shelby Cheslek;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives recognize and applaud the Gonzaga University Men's and Women's Basketball Teams for their achievements in the WCC Tournaments and wish them luck in the upcoming NCAA Tournaments; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the Washington State House of Representatives to the Gonzaga University Athletic Department and to the President of Gonzaga University.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4703.

HOUSE RESOLUTION NO. 4703 was adopted.

There being no objection, the House advanced to the eighth order of business.

There being no objection, the Committee on Rules was relieved of HOUSE BILL NO. 2224 and the bill was placed on the second reading calendar.

There being no objection, the House reverted to the seventh order of business.

THIRD READING

MESSAGE FROM THE SENATE

March 7, 2014

Mr. Speaker:

The Senate has passed ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2029 with the following amendment:

Strike everything after the enacting clause and insert the following:

**"PART I
ELIMINATION OF THE WASHINGTON STATE
ECONOMIC DEVELOPMENT COMMISSION**

Sec. 101. RCW 28B.30.530 and 2012 c 229 s 808 are each amended to read as follows:

(1) The board of regents of Washington State University shall establish the Washington State University small business development center.

(2) The center shall provide management and technical assistance including but not limited to training, counseling, and research services to small businesses throughout the state. The center shall work with the department of commerce, the state board for community and technical colleges, the workforce training and education coordinating board, the employment security department, ~~((the Washington state economic development commission,))~~ associate development organizations, and workforce development councils to:

(a) Integrate small business development centers with other state and local economic development and workforce development programs;

(b) Target the centers' services to small businesses;

(c) Tailor outreach and services at each center to the needs and demographics of entrepreneurs and small businesses located within the service area;

(d) Establish and expand small business development center satellite offices when financially feasible; and

(e) Coordinate delivery of services to avoid duplication.

(3) The administrator of the center may contract with other public or private entities for the provision of specialized services.

(4) The small business development center may accept and disburse federal grants or federal matching funds or other funds or donations from any source when made, granted, or donated to carry out the center's purposes. When drawing on funds from the business assistance account created in RCW 28B.30.531, the center must first use the funds to make increased management and technical assistance available to existing small businesses and start-up businesses at satellite offices. The funds may also be used to develop and expand assistance programs such as small business planning workshops and small business counseling.

(5) By December 1, 2010, the center shall provide a written progress report and a final report to the appropriate committees of the legislature with respect to the requirements in subsection (2) of this section and the amount and use of funding received through the business assistance account. The reports must also include data on the number, location, staffing, and budget levels of satellite offices; affiliations with community colleges, associate development organizations or other local organizations; the number, size, and type of small businesses assisted; and the types of services provided. The reports must also include information on the outcomes achieved, such as jobs created or retained, private capital invested, and return on the investment of state and federal dollars.

(6)(a) Subject to the availability of amounts appropriated for this specific purpose, by December 1, 2010, the center, in conjunction with the department of commerce, must prepare and present to the governor and appropriate legislative committees a specific, actionable plan to increase access to capital and technical assistance to small businesses and entrepreneurs beginning with the 2011-2013 biennium. In developing the plan, the center and the department may

consult with the Washington state microenterprise association, and with other government, nonprofit, and private organizations as necessary. The plan must identify:

(i) Existing sources of capital and technical assistance for small businesses and entrepreneurs;

(ii) Critical gaps and barriers to availability of capital and delivery of technical assistance to small businesses and entrepreneurs;

(iii) Workable solutions to filling the gaps and removing barriers identified in (a)(ii) of this subsection; and

(iv) The financial resources and statutory changes necessary to put the plan into effect beginning with the 2011-2013 biennium.

(b) With respect to increasing access to capital, the plan must identify specific, feasible sources of capital and practical mechanisms for expanding access to it.

(c) The center and the department must include, within the analysis and recommendations in (a) of this subsection, any specific gaps, barriers, and solutions related to rural and low-income communities and small manufacturers interested in exporting.

Sec. 102. RCW 28B.155.010 and 2012 c 242 s 1 are each amended to read as follows:

(1) The joint center for aerospace technology innovation is created to:

(a) Pursue joint industry-university research in computing, manufacturing efficiency, materials/structures innovation, and other new technologies that can be used in aerospace firms;

(b) Enhance the education of students in the engineering departments of the University of Washington, Washington State University, and other participating institutions through industry-focused research; and

(c) Work directly with existing small, medium-sized, and large aerospace firms and aerospace industry associations to identify research needs and opportunities to transfer off-the-shelf technologies that would benefit such firms.

(2) The center shall be operated and administered as a multi-institutional education and research center, conducting research and development programs in various locations within Washington under the joint authority of the University of Washington and Washington State University. The initial administrative offices of the center shall be west of the crest of the Cascade mountains. In order to meet aerospace industry needs, the facilities and resources of the center must be made available to all four-year institutions of higher education as defined in RCW 28B.10.016. Resources include, but are not limited to, internships, on-the-job training, and research opportunities for undergraduate and graduate students and faculty.

(3) The powers of the center are vested in and shall be exercised by a board of directors. The board shall consist of nine members appointed by the governor. The governor shall appoint a nonvoting chair. Of the eight voting members, one member shall represent small aerospace firms, one member shall represent medium-sized firms, one member shall represent large aerospace firms, one member shall represent labor, two members shall represent aerospace industry associations, and two members shall represent higher education. The terms of the initial members shall be staggered.

(4) The board shall hire an executive director. The executive director shall hire such staff as the board deems necessary to operate the center. Staff support may be provided from among the cooperating institutions through cooperative agreements to the extent funds are available. The executive director may enter into cooperative agreements for programs and research with public and private organizations including state and nonstate agencies consistent with policies of the participating institutions.

(5) The board must:

(a) Work with aerospace industry associations and aerospace firms of all sizes to identify the research areas that will benefit the intermediate and long-term economic vitality of the Washington aerospace industry;

(b) Identify entrepreneurial researchers to join or lead research teams in the research areas specified in (a) of this subsection and the steps the University of Washington and Washington State University will take to recruit such researchers;

(c) Assist firms to integrate existing technologies into their operations and align the activities of the center with those of impact Washington (~~(and innovate Washington)~~) to enhance services available to aerospace firms;

(d) Develop internships, on-the-job training, research, and other opportunities and ensure that all undergraduate and graduate students enrolled in an aerospace engineering curriculum have direct experience with aerospace firms;

(e) Assist researchers and firms in safeguarding intellectual property while advancing industry innovation;

(f) Develop and strengthen university-industry relationships through promotion of faculty collaboration with industry, and sponsor(~~(-in collaboration with innovate Washington,))~~ at least one annual symposium focusing on aerospace research in the state of Washington;

(g) Encourage a full range of projects from small research projects that meet the specific needs of a smaller company to large scale, multipartner projects;

(h) Develop nonstate support of the center's research activities through leveraging dollars from federal and private for-profit and nonprofit sources;

(i) Leverage its financial impact through joint support arrangements on a project-by-project basis as appropriate;

(j) Establish mechanisms for soliciting and evaluating proposals and for making awards and reporting on technological progress, financial leverage, and other measures of impact;

(k) By June 30, 2013, develop an operating plan that includes the specific processes, methods, or mechanisms the center will use to accomplish each of its duties as set out in this subsection; and

(l) Report biennially to the legislature and the governor about the impact of the center's work on the state's economy and the aerospace sector, with projections of future impact, providing indicators of its impact, and outlining ideas for enhancing benefits to the state. The report must be coordinated with the governor's office, (~~the Washington economic development commission,)~~ and the department of commerce(~~(-and innovate Washington)~~).

Sec. 103. RCW 28C.18.060 and 2012 c 229 s 579 are each amended to read as follows:

The board, in cooperation with the operating agencies of the state training system and private career schools and colleges, shall:

(1) Concentrate its major efforts on planning, coordination evaluation, policy analysis, and recommending improvements to the state's training system;

(2) Advocate for the state training system and for meeting the needs of employers and the workforce for workforce education and training;

(3) Establish and maintain an inventory of the programs of the state training system, and related state programs, and perform a biennial assessment of the vocational education, training, and adult basic education and literacy needs of the state; identify ongoing and strategic education needs; and assess the extent to which employment, training, vocational and basic education, rehabilitation services, and public assistance services represent a consistent, integrated approach to meet such needs;

(4) Develop and maintain a state comprehensive plan for workforce training and education, including but not limited to, goals, objectives, and priorities for the state training system, and review the state training system for consistency with the state comprehensive plan. In developing the state comprehensive plan for workforce training and education, the board shall use, but shall not be limited to: Economic, labor market, and populations trends reports in office of financial management forecasts; joint office of financial management

and employment security department labor force, industry employment, and occupational forecasts; the results of scientifically based outcome, net-impact and cost-benefit evaluations; the needs of employers as evidenced in formal employer surveys and other employer input; and the needs of program participants and workers as evidenced in formal surveys and other input from program participants and the labor community;

(5) In consultation with the student achievement council, review and make recommendations to the office of financial management and the legislature on operating and capital facilities budget requests for operating agencies of the state training system for purposes of consistency with the state comprehensive plan for workforce training and education;

(6) Provide for coordination among the different operating agencies and components of the state training system at the state level and at the regional level;

(7) Develop a consistent and reliable database on vocational education enrollments, costs, program activities, and job placements from publicly funded vocational education programs in this state;

(8)(a) Establish standards for data collection and maintenance for the operating agencies of the state training system in a format that is accessible to use by the board. The board shall require a minimum of common core data to be collected by each operating agency of the state training system;

(b) Develop requirements for minimum common core data in consultation with the office of financial management and the operating agencies of the training system;

(9) Establish minimum standards for program evaluation for the operating agencies of the state training system, including, but not limited to, the use of common survey instruments and procedures for measuring perceptions of program participants and employers of program participants, and monitor such program evaluation;

(10) Every two years administer scientifically based outcome evaluations of the state training system, including, but not limited to, surveys of program participants, surveys of employers of program participants, and matches with employment security department payroll and wage files. Every five years administer scientifically based net- impact and cost-benefit evaluations of the state training system;

(11) In cooperation with the employment security department, provide for the improvement and maintenance of quality and utility in occupational information and forecasts for use in training system planning and evaluation. Improvements shall include, but not be limited to, development of state-based occupational change factors involving input by employers and employees, and delineation of skill and training requirements by education level associated with current and forecasted occupations;

(12) Provide for the development of common course description formats, common reporting requirements, and common definitions for operating agencies of the training system;

(13) Provide for effectiveness and efficiency reviews of the state training system;

(14) In cooperation with the student achievement council, facilitate transfer of credit policies and agreements between institutions of the state training system, and encourage articulation agreements for programs encompassing two years of secondary workforce education and two years of postsecondary workforce education;

(15) In cooperation with the student achievement council, facilitate transfer of credit policies and agreements between private training institutions and institutions of the state training system;

(16) Develop policy objectives for the workforce investment act, P.L. 105-220, or its successor; develop coordination criteria for activities under the act with related programs and services provided by state and local education and training agencies; and ensure that

entrepreneurial training opportunities are available through programs of each local workforce investment board in the state;

(17) Make recommendations to the commission of student assessment, the state board of education, and the superintendent of public instruction, concerning basic skill competencies and essential core competencies for K-12 education. Basic skills for this purpose shall be reading, writing, computation, speaking, and critical thinking, essential core competencies for this purpose shall be English, math, science/technology, history, geography, and critical thinking. The board shall monitor the development of and provide advice concerning secondary curriculum which integrates vocational and academic education;

(18) Establish and administer programs for marketing and outreach to businesses and potential program participants;

(19) Facilitate the location of support services, including but not limited to, child care, financial aid, career counseling, and job placement services, for students and trainees at institutions in the state training system, and advocate for support services for trainees and students in the state training system;

(20) Facilitate private sector assistance for the state training system, including but not limited to: Financial assistance, rotation of private and public personnel, and vocational counseling;

(21) Facilitate the development of programs for school-to-work transition that combine classroom education and on-the-job training, including entrepreneurial education and training, in industries and occupations without a significant number of apprenticeship programs;

(22) Include in the planning requirements for local workforce investment boards a requirement that the local workforce investment boards specify how entrepreneurial training is to be offered through the one-stop system required under the workforce investment act, P.L. 105-220, or its successor;

(23) Encourage and assess progress for the equitable representation of racial and ethnic minorities, women, and people with disabilities among the students, teachers, and administrators of the state training system. Equitable, for this purpose, shall mean substantially proportional to their percentage of the state population in the geographic area served. This function of the board shall in no way lessen more stringent state or federal requirements for representation of racial and ethnic minorities, women, and people with disabilities;

(24) Participate in the planning and policy development of governor set-aside grants under P.L. 97-300, as amended;

(25) Administer veterans' programs, licensure of private vocational schools, the job skills program, and the Washington award for vocational excellence;

(26) Allocate funding from the state job training trust fund;

(27) Work with the director of commerce (~~and the economic development commission~~) to ensure coordination among workforce training priorities (~~(, the long term economic development strategy of the economic development commission,)~~) and economic development and entrepreneurial development efforts, including but not limited to assistance to industry clusters;

(28) Conduct research into workforce development programs designed to reduce the high unemployment rate among young people between approximately eighteen and twenty-four years of age. In consultation with the operating agencies, the board shall advise the governor and legislature on policies and programs to alleviate the high unemployment rate among young people. The research shall include disaggregated demographic information and, to the extent possible, income data for adult youth. The research shall also include a comparison of the effectiveness of programs examined as a part of the research conducted in this subsection in relation to the public investment made in these programs in reducing unemployment of young adults. The board shall report to the appropriate committees of the legislature by November 15, 2008, and every two years thereafter.

Where possible, the data reported to the legislative committees should be reported in numbers and in percentages;

(29) Adopt rules as necessary to implement this chapter.

The board may delegate to the director any of the functions of this section.

Sec. 104. RCW 28C.18.080 and 2009 c 421 s 6, 2009 c 151 s 7, and 2009 c 92 s 1 are each reenacted and amended to read as follows:

(1) The board shall develop a state comprehensive plan for workforce training and education for a ten-year time period. The board shall submit the ten-year state comprehensive plan to the governor and the appropriate legislative policy committees. Every four years by December 1st, beginning December 1, 2012, the board shall submit an update of the ten-year state comprehensive plan for workforce training and education to the governor and the appropriate legislative policy committees. Following public hearings, the legislature shall, by concurrent resolution, approve or recommend changes to the initial plan and the updates. The plan shall then become the state's workforce training policy unless legislation is enacted to alter the policies set forth in the plan.

(2) The comprehensive plan shall include workforce training role and mission statements for the workforce development programs of operating agencies represented on the board and sufficient specificity regarding expected actions by the operating agencies to allow them to carry out actions consistent with the comprehensive plan.

(3) Operating agencies represented on the board shall have operating plans for their workforce development efforts that are consistent with the comprehensive plan and that provide detail on implementation steps they will take to carry out their responsibilities under the plan. Each operating agency represented on the board shall provide an annual progress report to the board.

(4) The comprehensive plan shall include recommendations to the legislature and the governor on the modification, consolidation, initiation, or elimination of workforce training and education programs in the state.

(5) The comprehensive plan shall identify the strategic industry clusters targeted by the workforce development system. In identifying the strategic clusters, the board shall consult with the (~~economic development commission~~) department of commerce to identify clusters that meet the criteria identified by the working group convened by the (~~economic development commission~~) department of commerce and the workforce training and education coordinating board under RCW 43.330.280.

(6) The board shall report to the appropriate legislative policy committees by December 1st of each year on its progress in implementing the comprehensive plan and on the progress of the operating agencies in meeting their obligations under the plan.

Sec. 105. RCW 39.102.040 and 2007 c 229 s 2 are each amended to read as follows:

(1) Prior to applying to the board to use local infrastructure financing, a sponsoring local government shall:

(a) Designate a revenue development area within the limitations in RCW 39.102.060;

(b) Certify that the conditions in RCW 39.102.070 are met;

(c) Complete the process in RCW 39.102.080;

(d) Provide public notice as required in RCW 39.102.100; and

(e) Pass an ordinance adopting the revenue development area as required in RCW 39.102.090.

(2) Any local government that has created an increment area under chapter 39.89 RCW and has not issued bonds to finance any public improvement may apply to the board and have its increment area considered for approval as a revenue development area under this chapter without adopting a new revenue development area under RCW 39.102.090 and 39.102.100 if it amends its ordinance to comply with RCW 39.102.090(1) and otherwise meets the conditions and limitations under this chapter.

(3) As a condition to imposing a sales and use tax under RCW 82.14.475, a sponsoring local government, including any cosponsoring local government seeking authority to impose a sales and use tax under RCW 82.14.475, must apply to the board and be approved for a project award amount. The application shall be in a form and manner prescribed by the board and include but not be limited to information establishing that the applicant is an eligible candidate to impose the local sales and use tax under RCW 82.14.475, the anticipated effective date for imposing the tax, the estimated number of years that the tax will be imposed, and the estimated amount of tax revenue to be received in each fiscal year that the tax will be imposed. The board shall make available forms to be used for this purpose. As part of the application, each applicant must provide to the board a copy of the ordinance or ordinances creating the revenue development area as required in RCW 39.102.090. A notice of approval to use local infrastructure financing shall contain a project award that represents the maximum amount of state contribution that the applicant, including any cosponsoring local governments, can earn each year that local infrastructure financing is used. The total of all project awards shall not exceed the annual state contribution limit. The determination of a project award shall be made based on information contained in the application and the remaining amount of annual state contribution limit to be awarded. Determination of a project award by the board is final.

(4)(a) Sponsoring local governments, and any cosponsoring local governments, applying in calendar year 2007 for a competitive project award, must submit completed applications to the board no later than July 1, 2007. By September 15, 2007, in consultation with the department of revenue and the department of ~~((community, trade, and economic development))~~ commerce, the board shall approve competitive project awards from competitive applications submitted by the 2007 deadline. No more than two million five hundred thousand dollars in competitive project awards shall be approved in 2007. For projects not approved by the board in 2007, sponsoring and cosponsoring local governments may apply again to the board in 2008 for approval of a project.

(b) Sponsoring local governments, and any cosponsoring local governments, applying in calendar year 2008 for a competitive project award, must submit completed applications to the board no later than July 1, 2008. By September 18, 2008, in consultation with the department of revenue and the department of ~~((community, trade, and economic development))~~ commerce, the board shall approve competitive project awards from competitive applications submitted by the 2008 deadline.

(c) Except as provided in RCW 39.102.050(2), a total of no more than five million dollars in competitive project awards shall be approved for local infrastructure financing.

(d) The project selection criteria and weighting developed prior to July 22, 2007, for the application evaluation and approval process shall apply to applications received prior to November 1, 2007. In evaluating applications for a competitive project award after November 1, 2007, the board shall ~~((in consultation with the Washington state economic development commission,))~~ develop the relative weight to be assigned to the following criteria:

- (i) The project's potential to enhance the sponsoring local government's regional and/or international competitiveness;
- (ii) The project's ability to encourage mixed use and transit-oriented development and the redevelopment of a geographic area;
- (iii) Achieving an overall distribution of projects statewide that reflect geographic diversity;
- (iv) The estimated wages and benefits for the project is greater than the average labor market area;
- (v) The estimated state and local net employment change over the life of the project;
- (vi) The current economic health and vitality of the proposed revenue development area and the contiguous community and the

estimated impact of the proposed project on the proposed revenue development area and contiguous community;

(vii) The estimated state and local net property tax change over the life of the project;

(viii) The estimated state and local sales and use tax increase over the life of the project;

(ix) An analysis that shows that, over the life of the project, neither the local excise tax allocation revenues nor the local property tax allocation revenues will constitute more than eighty percent of the total local funds as described in RCW 39.102.020~~((29)(e)))~~ (29)(b); and

(x) If a project is located within an urban growth area, evidence that the project utilizes existing urban infrastructure and that the transportation needs of the project will be adequately met through the use of local infrastructure financing or other sources.

(e)(i) Except as provided in this subsection (4)(e), the board may not approve the use of local infrastructure financing within more than one revenue development area per county.

(ii) In a county in which the board has approved the use of local infrastructure financing, the use of such financing in additional revenue development areas may be approved, subject to the following conditions:

(A) The sponsoring local government is located in more than one county; and

(B) The sponsoring local government designates a revenue development area that comprises portions of a county within which the use of local infrastructure financing has not yet been approved.

(iii) In a county where the local infrastructure financing tool is authorized under RCW 39.102.050, the board may approve additional use of the local infrastructure financing tool.

(5) Once the board has approved the sponsoring local government, and any cosponsoring local governments, to use local infrastructure financing, notification must be sent by the board to the sponsoring local government, and any cosponsoring local governments, authorizing the sponsoring local government, and any cosponsoring local governments, to impose the local sales and use tax authorized under RCW 82.14.475, subject to the conditions in RCW 82.14.475.

Sec. 106. RCW 43.84.092 and 2013 2nd sp.s. c 23 s 24 and 2013 2nd sp.s. c 11 s 15 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur

prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense

account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, ~~(the Washington state economic development commission account,)~~ the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 107. RCW 43.84.092 and 2013 2nd sp.s. c 23 s 25 and 2013 2nd sp.s. c 11 s 16 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or

allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the Columbia river crossing project account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital

construction account, the Puget Sound ferry operations account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, ~~((the Washington state economic development commission account,))~~ the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 108. RCW 43.160.060 and 2012 c 196 s 10 are each amended to read as follows:

(1) The board is authorized to make direct loans to political subdivisions of the state and to federally recognized Indian tribes for the purposes of assisting the political subdivisions and federally recognized Indian tribes in financing the cost of public facilities, including development of land and improvements for public facilities, project-specific environmental, capital facilities, land use, permitting, feasibility, and marketing studies and plans; project design, site

planning, and analysis; project debt and revenue impact analysis; as well as the construction, rehabilitation, alteration, expansion, or improvement of the facilities. A grant may also be authorized for purposes designated in this chapter, but only when, and to the extent that, a loan is not reasonably possible, given the limited resources of the political subdivision or the federally recognized Indian tribe and the finding by the board that financial circumstances require grant assistance to enable the project to move forward. However, no more than twenty-five percent of all financial assistance approved by the board in any biennium may consist of grants to political subdivisions and federally recognized Indian tribes.

(2) Application for funds must be made in the form and manner as the board may prescribe. In making grants or loans the board must conform to the following requirements:

(a) The board may not provide financial assistance:

(i) For a project the primary purpose of which is to facilitate or promote a retail shopping development or expansion.

(ii) For any project that evidence exists would result in a development or expansion that would displace existing jobs in any other community in the state.

(iii) For a project the primary purpose of which is to facilitate or promote gambling.

(iv) For a project located outside the jurisdiction of the applicant political subdivision or federally recognized Indian tribe.

(b) The board may only provide financial assistance:

(i) For a project demonstrating convincing evidence that a specific private development or expansion is ready to occur and will occur only if the public facility improvement is made that:

(A) Results in the creation of significant private sector jobs or significant private sector capital investment as determined by the board (~~and is consistent with the state comprehensive economic development plan developed by the Washington economic development commission pursuant to chapter 43.162 RCW, once the plan is adopted~~); and

(B) Will improve the opportunities for the successful maintenance, establishment, or expansion of industrial or commercial plants or will otherwise assist in the creation or retention of long-term economic opportunities;

(ii) For a project that cannot meet the requirement of (b)(i) of this subsection but is a project that:

(A) Results in the creation of significant private sector jobs or significant private sector capital investment as determined by the board (~~and is consistent with the state comprehensive economic development plan developed by the Washington economic development commission pursuant to chapter 43.162 RCW, once the plan is adopted~~);

(B) Is part of a local economic development plan consistent with applicable state planning requirements;

(C) Can demonstrate project feasibility using standard economic principles; and

(D) Is located in a rural community as defined by the board, or a rural county;

(iii) For site-specific plans, studies, and analyses that address environmental impacts, capital facilities, land use, permitting, feasibility, marketing, project engineering, design, site planning, and project debt and revenue impacts, as grants not to exceed fifty thousand dollars.

(c) The board must develop guidelines for local participation and allowable match and activities.

(d) An application must demonstrate local match and local participation, in accordance with guidelines developed by the board.

(e) An application must be approved by the political subdivision and supported by the local associate development organization or local workforce development council or approved by the governing body of the federally recognized Indian tribe.

(f) The board may allow de minimis general system improvements to be funded if they are critically linked to the viability of the project.

(g) An application must demonstrate convincing evidence that the median hourly wage of the private sector jobs created after the project is completed will exceed the countywide median hourly wage.

(h) The board must prioritize each proposed project according to:

(i) The relative benefits provided to the community by the jobs the project would create, not just the total number of jobs it would create after the project is completed, but also giving consideration to the unemployment rate in the area in which the jobs would be located;

(ii) The rate of return of the state's investment, including, but not limited to, the leveraging of private sector investment, anticipated job creation and retention, and expected increases in state and local tax revenues associated with the project;

(iii) Whether the proposed project offers a health insurance plan for employees that includes an option for dependents of employees;

(iv) Whether the public facility investment will increase existing capacity necessary to accommodate projected population and employment growth in a manner that supports infill and redevelopment of existing urban or industrial areas that are served by adequate public facilities. Projects should maximize the use of existing infrastructure and provide for adequate funding of necessary transportation improvements;

(v) Whether the applicant's permitting process has been certified as streamlined by the office of regulatory assistance; and

(vi) Whether the applicant has developed and adhered to guidelines regarding its permitting process for those applying for development permits consistent with section 1(2), chapter 231, Laws of 2007.

(i) A responsible official of the political subdivision or the federally recognized Indian tribe must be present during board deliberations and provide information that the board requests.

(3) Before any financial assistance application is approved, the political subdivision or the federally recognized Indian tribe seeking the assistance must demonstrate to the community economic revitalization board that no other timely source of funding is available to it at costs reasonably similar to financing available from the community economic revitalization board.

Sec. 109. RCW 43.160.900 and 2008 c 327 s 9 are each amended to read as follows:

(1) The community economic revitalization board shall conduct biennial outcome-based evaluations of the financial assistance provided under this chapter. The evaluations shall include information on the number of applications for community economic revitalization board assistance; the number and types of projects approved; the grant or loan amount awarded each project; the projected number of jobs created or retained by each project; the actual number and cost of jobs created or retained by each project; the wages and health benefits associated with the jobs; the amount of state funds and total capital invested in projects; the number and types of businesses assisted by funded projects; the location of funded projects; the transportation infrastructure available for completed projects; the local match and local participation obtained; the number of delinquent loans; and the number of project terminations. The evaluations may also include additional performance measures and recommendations for programmatic changes.

~~(2)((a) By September 1st of each even numbered year, the board shall forward its draft evaluation to the Washington state economic development commission for review and comment, as required in section 10 of this act. The board shall provide any additional information as may be requested by the commission for the purpose of its review.~~

~~(b) Any written comments or recommendations provided by the commission as a result of its review shall be included in the board's completed evaluation.)~~ The evaluation must be presented to the

governor and appropriate committees of the legislature by December 31st of each even-numbered year. The initial evaluation must be submitted by December 31, 2010.

Sec. 110. RCW 43.330.050 and 2005 c 136 s 12 are each amended to read as follows:

The department shall be responsible for promoting community and economic development within the state by assisting the state's communities to increase the quality of life of their citizens and their economic vitality, and by assisting the state's businesses to maintain and increase their economic competitiveness, while maintaining a healthy environment. Community and economic development efforts shall include: Efforts to increase economic opportunity; local planning to manage growth; the promotion and provision of affordable housing and housing-related services; providing public infrastructure; business and trade development; assisting firms and industrial sectors to increase their competitiveness; fostering the development of minority and women- owned businesses; facilitating technology development, transfer, and diffusion; community services and advocacy for low-income persons; and public safety efforts. The department shall have the following general functions and responsibilities:

(1) Provide advisory assistance to the governor, other state agencies, and the legislature on community and economic development matters and issues;

(2) Assist the governor in coordinating the activities of state agencies that have an impact on local government and communities;

(3) Cooperate with ~~((the Washington state economic development commission))~~ the legislature~~((s))~~ and the governor in the development and implementation of strategic plans for the state's community and economic development efforts;

(4) Solicit private and federal grants for economic and community development programs and administer such programs in conjunction with other programs assigned to the department by the governor or the legislature;

(5) Cooperate with and provide technical and financial assistance to local governments, businesses, and community-based organizations serving the communities of the state for the purpose of aiding and encouraging orderly, productive, and coordinated development of the state, and, unless stipulated otherwise, give additional consideration to local communities and individuals with the greatest relative need and the fewest resources;

(6) Participate with other states or subdivisions thereof in interstate programs and assist cities, counties, municipal corporations, governmental conferences or councils, and regional planning commissions to participate with other states and provinces or their subdivisions;

(7) Hold public hearings and meetings to carry out the purposes of this chapter;

(8) Conduct research and analysis in furtherance of the state's economic and community development efforts including maintenance of current information on market, demographic, and economic trends as they affect different industrial sectors, geographic regions, and communities with special economic and social problems in the state; and

(9) Develop a schedule of fees for services where appropriate.

Sec. 111. RCW 43.330.080 and 2012 c 195 s 1 are each amended to read as follows:

(1)(a) The department must contract with county-designated associate development organizations to increase the support for and coordination of community and economic development services in communities or regional areas. The contracting organizations in each community or regional area must:

(i) Be broadly representative of community and economic interests;

(ii) Be capable of identifying key economic and community development problems, developing appropriate solutions, and mobilizing broad support for recommended initiatives;

(iii) Work closely with the department to carry out state-identified economic development priorities;

(iv) Work with and include local governments, local chambers of commerce, workforce development councils, port districts, labor groups, institutions of higher education, community action programs, and other appropriate private, public, or nonprofit community and economic development groups; and

(v) Meet and share best practices with other associate development organizations at least two times each year.

(b) The scope of services delivered under the contracts required in (a) of this subsection must include two broad areas of work:

(i) Direct assistance, including business planning, to companies throughout the county who need support to stay in business, expand, or relocate to Washington from out of state or other countries. Assistance must comply with business recruitment and retention protocols established in RCW 43.330.062, and includes:

(A) Working with the appropriate partners throughout the county including, but not limited to, local governments, workforce development councils, port districts, community and technical colleges and higher education institutions, export assistance providers, impact Washington, the Washington state quality award council, small business assistance programs, innovation partnership zones, and other federal, state, and local programs to facilitate the alignment of planning efforts and the seamless delivery of business support services within the entire county;

(B) Providing information on state and local permitting processes, tax issues, export assistance, and other essential information for operating, expanding, or locating a business in Washington;

(C) Marketing Washington and local areas as excellent locations to expand or relocate a business and positioning Washington as a globally competitive place to grow business, which may include developing and executing regional plans to attract companies from out of state;

(D) Working with businesses on site location and selection assistance;

(E) Providing business retention and expansion services throughout the county. Such services must include, but are not limited to, business outreach and monitoring efforts to identify and address challenges and opportunities faced by businesses, assistance to trade impacted businesses in applying for grants from the federal trade adjustment assistance for firms program, and the provision of information to businesses on:

(I) Resources available for microenterprise development;

(II) Resources available on the revitalization of commercial districts; and

(III) The opportunity to maintain jobs through shared work programs authorized under chapter 50.60 RCW;

(F) Participating in economic development system-wide discussions regarding gaps in business start-up assistance in Washington;

(G) Providing or facilitating the provision of export assistance through workshops or one-on-one assistance; and

(H) Using a web-based information system to track data on business recruitment, retention, expansion, and trade; and

(ii) Support for regional economic research and regional planning efforts to implement target industry sector strategies and other economic development strategies, including cluster-based strategies. Research and planning efforts should support increased living standards and increased foreign direct investment, and be aligned with the statewide economic development strategy. Regional associate development organizations retain their independence to address local concerns and goals. Activities include:

(A) Participating in regional planning efforts with workforce development councils involving coordinated strategies around workforce development and economic development policies and programs. Coordinated planning efforts must include, but not be limited to, assistance to industry clusters in the region;

(B) Participating with the state board for community and technical colleges as created in RCW 28B.50.050, and any community and technical colleges in the coordination of the job skills training program and the customized training program within its region;

(C) Collecting and reporting data as specified by the contract with the department for statewide systemic analysis. ~~((The department must consult with the Washington state economic development commission in the establishment of such uniform data as is needed to conduct a statewide systemic analysis of the state's economic development programs and expenditures.))~~ In cooperation with other local, regional, and state planning efforts, contracting organizations may provide insight into the needs of target industry clusters, business expansion plans, early detection of potential relocations or layoffs, training needs, and other appropriate economic information;

(D) In conjunction with other governmental jurisdictions and institutions, ~~((participate [participating]))~~ participating in the development of a countywide economic development plan ~~((consistent with the state comprehensive plan for economic development developed by the Washington state economic development commission)).~~

(2) The department must provide business services training to the contracting organizations, including but not limited to:

(a) Training in the fundamentals of export assistance and the services available from private and public export assistance providers in the state; and

(b) Training in the provision of business retention and expansion services as required by subsection (1)(b)(i)(E) of this section.

Sec. 112. RCW 43.330.082 and 2012 c 195 s 2 are each amended to read as follows:

(1)(a) Contracting associate development organizations must provide the department with measures of their performance and a summary of best practices shared and implemented by the contracting organizations. Annual reports must include the following information to show the contracting organization's impact on employment and overall changes in employment: Current employment and economic information for the community or regional area produced by the employment security department; the net change from the previous year's employment and economic information using data produced by the employment security department; other relevant information on the community or regional area; the amount of funds received by the contracting organization through its contract with the department; the amount of funds received by the contracting organization ~~((s))~~ through all sources; and the contracting organization's impact on employment through all funding sources. Annual reports may include the impact of the contracting organization on wages, exports, tax revenue, small business creation, foreign direct investment, business relocations, expansions, terminations, and capital investment. Data must be input into a common web-based business information system managed by the department. Specific measures, data standards, and data definitions must be developed in the contracting process between the department ~~((the economic development commission,))~~ and the contracting organization every two years. Except as provided in (b) of this subsection, performance measures should be consistent across regions to allow for statewide evaluation.

(b) In addition to the measures required in (a) of this subsection, contracting associate development organizations in counties with a population greater than one million five hundred thousand persons must include the following measures in reports to the department:

(i) The number of small businesses that received retention and expansion services, and the outcome of those services;

(ii) The number of businesses located outside of the boundaries of the largest city within the contracting associate development organization's region that received recruitment, retention, and expansion services, and the outcome of those services.

(2)(a) The department and contracting associate development organizations must agree upon specific target levels for the performance measures in subsection (1) of this section. Comparison of agreed thresholds and actual performance must occur annually.

(b) Contracting organizations that fail to achieve the agreed performance targets in more than one-half of the agreed measures must develop remediation plans to address performance gaps. The remediation plans must include revised performance thresholds specifically chosen to provide evidence of progress in making the identified service changes.

(c) Contracts and state funding must be terminated for one year for organizations that fail to achieve the agreed upon progress toward improved performance defined under (b) of this subsection. During the year in which termination for nonperformance is in effect, organizations must review alternative delivery strategies to include reorganization of the contracting organization, merging of previous efforts with existing regional partners, and other specific steps toward improved performance. At the end of the period of termination, the department may contract with the associate development organization or its successor as it deems appropriate.

(3) The department must submit ~~((a preliminary report to the Washington economic development commission by September 1st of each even-numbered year, and))~~ a final report to the legislature ~~((and the Washington economic development commission))~~ by December 31st of each even-numbered year on the performance results of the contracts with associate development organizations.

~~((4) Contracting associate development organizations must provide the Washington state economic development commission with information to be used in the comprehensive statewide economic development strategy and progress report due under RCW 43.162.020, by the date determined by the commission.))~~

Sec. 113. RCW 43.330.090 and 2012 c 198 s 3 are each amended to read as follows:

(1) The department shall work with private sector organizations, industry and sector associations, federal agencies, state agencies that use a sector-based approach to service delivery, local governments, local associate development organizations, and higher education and training institutions in the development of industry sector-based strategies to diversify the economy, facilitate technology transfer and diffusion, and increase value-added production. The industry sectors targeted by the department may include, but are not limited to, aerospace, agriculture, food processing, forest products, marine services, health and biomedical, software, digital and interactive media, transportation and distribution, and microelectronics. The department shall, on a continuing basis, evaluate the potential return to the state from devoting additional resources to an industry sector-based approach to economic development and identifying and assisting additional sectors.

(2) The department's sector-based strategies shall include, but not be limited to, cluster-based strategies that focus on assisting regional industry sectors and related firms and institutions that meet the definition of an industry cluster in this section and based on criteria identified by the working group established in this chapter.

(3)(a) The department shall promote, market, and encourage growth in the production of films and videos, as well as television commercials within the state; to this end the department is directed to assist in the location of a film and video production studio within the state.

(b) The department may, in carrying out its efforts to encourage film and video production in the state, solicit and receive gifts, grants, funds, fees, and endowments, in trust or otherwise, from tribal, local, or other governmental entities, as well as private sources, and may

expend the same or any income therefrom for the encouragement of film and video production. All revenue received for such purposes shall be deposited into the general fund.

(4) In assisting in the development of regional and statewide industry cluster-based strategies, the department's activities shall include, but are not limited to:

(a) Facilitating regional focus group discussions and conducting studies to identify industry clusters, appraise the current information linkages within a cluster, and identify issues of common concern within a cluster;

(b) Supporting industry and cluster associations, publications of association and cluster directories, and related efforts to create or expand the activities of industry and cluster associations;

(c) Administering a competitive grant program to fund economic development activities designed to further regional cluster growth. In administering the program, the department shall work with ~~((the economic development commission,))~~ the workforce training and education coordinating board, the state board for community and technical colleges, the employment security department, business, and labor.

(i) The department shall seek recommendations on criteria for evaluating applications for grant funds and recommend applicants for receipt of grant funds. Criteria shall include not duplicating the purpose or efforts of industry skill panels.

(ii) Applicants must include organizations from at least two counties and participants from the local business community. Eligible organizations include, but are not limited to, local governments, economic development councils, chambers of commerce, federally recognized Indian tribes, workforce development councils, and educational institutions.

(iii) Applications must evidence financial participation of the partner organizations.

(iv) Eligible activities include the formation of cluster economic development partnerships, research and analysis of economic development needs of the cluster, the development of a plan to meet the economic development needs of the cluster, and activities to implement the plan.

(v) Priority shall be given to applicants that complement industry skill panels and will use the grant funds to build linkages and joint projects.

(vi) The maximum amount of a grant is one hundred thousand dollars.

(vii) A maximum of one hundred thousand dollars total can go to King, Pierce, Kitsap, and Snohomish counties combined.

(viii) No more than ten percent of funds received for the grant program may be used by the department for administrative costs.

(5) As used in this chapter, "industry cluster" means a geographic concentration of interconnected companies in a single industry, related businesses in other industries, including suppliers and customers, and associated institutions, including government and education.

Sec. 114. RCW 43.330.250 and 2013 2nd sp.s. c 24 s 1 are each amended to read as follows:

(1) The economic development strategic reserve account is created in the state treasury to be used only for the purposes of this section.

(2) Only the governor, with the recommendation of the director of the department of commerce ~~((and the economic development commission)),~~ may authorize expenditures from the account.

~~(3) ((Expenditures from the account shall be made in an amount sufficient to fund a minimum of one staff position for the economic development commission and to cover any other operational costs of the commission.~~

~~(4))~~ During the 2009-2011 and 2011-2013 fiscal biennia, moneys in the account may also be transferred into the state general fund.

~~((5))~~ (4) Expenditures from the account may be made to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, or to recruit a business or facility to the state. Expenditures may be authorized for:

(a) Workforce development;

(b) Public infrastructure needed to support or sustain the operations of the business or facility;

(c) Other lawfully provided assistance, including, but not limited to, technical assistance, environmental analysis, relocation assistance, and planning assistance. Funding may be provided for such assistance only when it is in the public interest and may only be provided under a contractual arrangement ensuring that the state will receive appropriate consideration, such as an assurance of job creation or retention; and

(d) The joint center for aerospace technology innovation.

~~((6))~~ (5) The funds shall not be expended from the account unless:

(a) The circumstances are such that time does not permit the director of the department of commerce or the business or facility to secure funding from other state sources;

(b) The business or facility produces or will produce significant long-term economic benefits to the state, a region of the state, or a particular community in the state;

(c) The business or facility does not require continuing state support;

(d) The expenditure will result in new jobs, job retention, or higher incomes for citizens of the state;

(e) The expenditure will not supplant private investment; and

(f) The expenditure is accompanied by private investment.

~~((7))~~ (6) No more than three million dollars per year may be expended from the account for the purpose of assisting an individual business or facility pursuant to the authority specified in this section.

~~((8))~~ (7) If the account balance in the strategic reserve account exceeds fifteen million dollars at any time, the amount in excess of fifteen million dollars shall be transferred to the education construction account.

Sec. 115. RCW 43.330.270 and 2012 c 225 s 1 are each amended to read as follows:

(1) The department must design and implement an innovation partnership zone program through which the state will encourage and support research institutions, workforce training organizations, and globally competitive companies to work cooperatively in close geographic proximity to create commercially viable products and jobs.

(2) The director must designate innovation partnership zones on the basis of the following criteria:

(a) Innovation partnership zones must have three types of institutions operating within their boundaries, or show evidence of planning and local partnerships that will lead to dense concentrations of these institutions:

(i) Research capacity in the form of a university or community college fostering commercially valuable research, nonprofit institutions creating commercially applicable innovations, or a national laboratory;

(ii) An industry cluster as defined in RCW 43.330.090. The cluster must include a dense proximity of globally competitive firms in a research-based industry or industries or individual firms with innovation strategies linked to (a)(i) of this subsection. A globally competitive firm may be signified through international organization for standardization 9000 or 1400 certification, or evidence of sales in international markets; and

(iii) Training capacity either within the zone or readily accessible to the zone. The training capacity requirement may be met by the same institution as the research capacity requirement, to the extent both are associated with an educational institution in the proposed zone.

(b) The support of a local jurisdiction, a research institution, an educational institution, an industry or cluster association, a workforce development council, and an associate development organization, port, or chamber of commerce;

(c) Identifiable boundaries for the zone within which the applicant will concentrate efforts to connect innovative researchers, entrepreneurs, investors, industry associations or clusters, and training providers. The geographic area defined should lend itself to a distinct identity and have the capacity to accommodate firm growth;

(d) The innovation partnership zone administrator must be an economic development council, port, workforce development council, city, or county.

(3) With respect solely to the research capacity required in subsection (2)(a)(i) of this section, the director may waive the requirement that the research institution be located within the zone. To be considered for such a waiver, an applicant must provide a specific plan that demonstrates the research institution's unique qualifications and suitability for the zone, and the types of jointly executed activities that will be used to ensure ongoing, face-to-face interaction and research collaboration among the zone's partners.

(4) On October 1st of each odd-numbered year, the director must designate innovation partnership zones on the basis of applications that meet the legislative criteria, estimated economic impact of the zone, evidence of forward planning for the zone, and other criteria as developed by the department ~~((in consultation with the Washington state economic development commission))~~. Estimated economic impact must include evidence of anticipated private investment, job creation, innovation, and commercialization. The director must require evidence that zone applicants will promote commercialization, innovation, and collaboration among zone residents.

(5) Innovation partnership zones are eligible for funds and other resources as provided by the legislature or at the discretion of the governor.

(6) If the innovation partnership zone meets the other requirements of the fund sources, then the zone is eligible for the following funds relating to:

- (a) The local infrastructure financing tools program;
- (b) The sales and use tax for public facilities in rural counties;
- (c) Job skills;
- (d) Local improvement districts; and
- (e) Community economic revitalization board projects under chapter 43.160 RCW.

(7) An innovation partnership zone must be designated as a zone for a four-year period. At the end of the four-year period, the zone must reapply for the designation through the department.

(8) If the director finds that an applicant does not meet all of the statutory criteria or additional criteria recommended by the department ~~((in consultation with the Washington state economic development commission))~~ to be designated as an innovation partnership zone, the department must:

- (a) Identify the deficiencies in the proposal and recommended steps for the applicant to take to strengthen the proposal;
- (b) Provide the applicant with the opportunity to appeal the decision to the director; and
- (c) Allow the applicant to reapply for innovation partnership designation on October 1st of the following calendar year or during any subsequent application cycle.

(9) If the director finds at any time after the initial year of designation that an innovation partnership zone is failing to meet the performance standards required in its contract with the department, the director may withdraw such designation and cease state funding of the zone.

(10) The department must convene annual information sharing events for innovation partnership zone administrators and other interested parties.

(11) An innovation partnership zone must annually provide performance measures as required by the director, including but not limited to private investment measures, job creation measures, and measures of innovation such as licensing of ideas in research institutions, patents, or other recognized measures of innovation.

(12) The department must compile a biennial report on the innovation partnership zone program by December 1st of every even-numbered year. The report must provide information for each zone on its: Objectives; funding, tax incentives, and other support obtained from public sector sources; major activities; partnerships; performance measures; and outcomes achieved since the inception of the zone or since the previous biennial report. ~~((The Washington state economic development commission must review the department's draft report and make recommendations on ways to increase the effectiveness of individual zones and the program overall.))~~ The department must submit the report ~~((including the commission's recommendations,))~~ to the governor and legislature beginning December 1, 2010.

Sec. 116. RCW 43.330.280 and 2012 c 229 s 708 are each amended to read as follows:

(1) The ~~((Washington state economic development commission))~~ department shall ~~((with the advice of an innovation partnership advisory group selected by the commission: (a) Provide information and advice to the department of commerce to assist in the implementation of the innovation partnership zone program, including criteria to be used in the selection of grant applicants for funding;~~

~~((b))~~ document clusters of companies throughout the state that have comparative competitive advantage or the potential for comparative competitive advantage, using the process and criteria for identifying strategic clusters developed by the working group specified in subsection (2) of this section;

~~((c) Conduct an innovation opportunity analysis to identify (i) the strongest current intellectual assets and research teams in the state focused on emerging technologies and their commercialization, and (ii) faculty and researchers that could increase their focus on commercialization of technology if provided the appropriate technical assistance and resources;~~

~~((d) Based on its findings and analysis, and in conjunction with the research institutions;~~

~~((i) Develop a plan to build on existing, and develop new, intellectual assets and innovation research teams in the state in research areas where there is a high potential to commercialize technologies. The commission shall present the plan to the governor and legislature by December 31, 2009. The publicly funded research institutions in the state shall be responsible for implementing the plan. The plan shall address the following elements and such other elements as the commission deems important:~~

~~((A) Specific mechanisms to support, enhance, or develop innovation research teams and strengthen their research and commercialization capacity in areas identified as useful to strategic clusters and innovative firms in the state;~~

~~((B) Identification of the funding necessary for laboratory infrastructure needed to house innovation research teams;~~

~~((C) Specification of the most promising research areas meriting enhanced resources and recruitment of significant entrepreneurial researchers to join or lead innovation research teams;~~

~~((D) The most productive approaches to take in the recruitment, in the identified promising research areas, of a minimum of ten significant entrepreneurial researchers over the next ten years to join or lead innovation research teams;~~

~~((E) Steps to take in solicitation of private sector support for the recruitment of entrepreneurial researchers and the commercialization activity of innovation research teams; and~~

~~((F) Mechanisms for ensuring the location of innovation research teams in innovation partnership zones;~~

~~—(ii) Provide direction for the development of comprehensive entrepreneurial assistance programs at research institutions. The programs may involve multidisciplinary students, faculty, entrepreneurial researchers, entrepreneurs, and investors in building business models and evolving business plans around innovative ideas. The programs may provide technical assistance and the support of an entrepreneur in residence to innovation research teams and offer entrepreneurial training to faculty, researchers, undergraduates, and graduate students. Curriculum leading to a certificate in entrepreneurship may also be offered;~~

~~—(c) Develop performance measures to be used in evaluating the performance of innovation research teams, the implementation of the plan and programs under (d)(i) and (ii) of this subsection, and the performance of innovation partnership zone grant recipients, including but not limited to private investment measures, business initiation measures, job creation measures, and measures of innovation such as licensing of ideas in research institutions, patents, or other recognized measures of innovation. The performance measures developed shall be consistent with the economic development commission's comprehensive plan for economic development and its standards and metrics for program evaluation. The commission shall report to the legislature and the governor by June 30, 2009, on the measures developed; and~~

~~—(f) Using the performance measures developed, perform a biennial assessment and report, the first of which shall be due December 31, 2012, on:~~

~~—(i) Commercialization of technologies developed at state universities, found at other research institutions in the state, and facilitated with public assistance at existing companies;~~

~~—(ii) Outcomes of the funding of innovation research teams and recruitment of significant entrepreneurial researchers;~~

~~—(iii) Comparison with other states of Washington's outcomes from the innovation research teams and efforts to recruit significant entrepreneurial researchers; and~~

~~—(iv) Outcomes of the grants for innovation partnership zones. The report shall include recommendations for modifications of chapter 227, Laws of 2007 and of state commercialization efforts that would enhance the state's economic competitiveness).~~

(2) The ~~(economic development commission)~~ department and the workforce training and education coordinating board shall jointly convene a working group to:

(a) Specify the process and criteria for identification of substate geographic concentrations of firms or employment in an industry and the industry's customers, suppliers, supporting businesses, and institutions, which process will include the use of labor market information from the employment security department and local labor markets; and

(b) Establish criteria for identifying strategic clusters which are important to economic prosperity in the state, considering cluster size, growth rate, and wage levels among other factors.

Sec. 117. RCW 43.330.310 and 2012 c 229 s 590 and 2012 c 198 s 12 are each reenacted and amended to read as follows:

(1) The legislature establishes a comprehensive green economy jobs growth initiative based on the goal of, by 2020, increasing the number of green economy jobs to twenty-five thousand from the eight thousand four hundred green economy jobs the state had in 2004.

(2) The department, in consultation with the employment security department, the state workforce training and education coordinating board, and the state board for community and technical colleges, shall develop a defined list of terms, consistent with current workforce and economic development terms, associated with green economy industries and jobs.

(3)(a) The employment security department, in consultation with the department, the state workforce training and education coordinating board, the state board for community and technical colleges, Washington State University small business development

center, and the Washington State University extension energy program, shall conduct labor market research to analyze the current labor market and projected job growth in the green economy, the current and projected recruitment and skill requirement of green economy industry employers, the wage and benefits ranges of jobs within green economy industries, and the education and training requirements of entry-level and incumbent workers in those industries.

(i) The employment security department shall conduct an analysis of occupations in the forest products industry to: (A) Determine key growth factors and employment projections in the industry; and (B) define the education and skill standards required for current and emerging green occupations in the industry.

(ii) The term "forest products industry" must be given a broad interpretation when implementing (a)(i) of this subsection and includes, but is not limited to, businesses that grow, manage, harvest, transport, and process forest, wood, and paper products.

(b) The University of Washington business and economic development center shall: Analyze the current opportunities for and participation in the green economy by minority and women-owned business enterprises in Washington; identify existing barriers to their successful participation in the green economy; and develop strategies with specific policy recommendations to improve their successful participation in the green economy. The research may be informed by the research of the Puget Sound regional council prosperity partnership, as well as other entities. The University of Washington business and economic development center shall report to the appropriate committees of the house of representatives and the senate on their research, analysis, and recommendations by December 1, 2008.

(4) Based on the findings from subsection (3) of this section, the employment security department, in consultation with the department and taking into account the requirements and goals of chapter 14, Laws of 2008 and other state clean energy and energy efficiency policies, shall propose which industries will be considered high-demand green industries, based on current and projected job creation and their strategic importance to the development of the state's green economy. The employment security department and the department shall take into account which jobs within green economy industries will be considered high-wage occupations and occupations that are part of career pathways to the same, based on family-sustaining wage and benefits ranges. These designations, and the results of the employment security department's broader labor market research, shall inform the planning and strategic direction of the department, the state workforce training and education coordinating board, and the state board for community and technical colleges.

(5) The department shall identify emerging technologies and innovations that are likely to contribute to advancements in the green economy, including the activities in designated innovation partnership zones established in RCW 43.330.270.

(6) The department ~~(consistent with the priorities established by the state economic development commission,)~~ shall:

(a) Develop targeting criteria for existing investments, and make recommendations for new or expanded financial incentives and comprehensive strategies, to recruit, retain, and expand green economy industries and small businesses; and

(b) Make recommendations for new or expanded financial incentives and comprehensive strategies to stimulate research and development of green technology and innovation, including designating innovation partnership zones linked to the green economy.

(7) For the purposes of this section, "target populations" means (a) entry-level or incumbent workers in high-demand green industries who are in, or are preparing for, high-wage occupations; (b) dislocated workers in declining industries who may be retrained for high-wage occupations in high-demand green industries; (c)

dislocated agriculture, timber, or energy sector workers who may be retrained for high-wage occupations in high-demand green industries; (d) eligible veterans or national guard members; (e) disadvantaged populations; or (f) anyone eligible to participate in the state opportunity grant program under RCW 28B.50.271.

(8) The legislature directs the state workforce training and education coordinating board to create and pilot green industry skill panels. These panels shall consist of business representatives from: Green industry sectors, including but not limited to forest product companies, companies engaged in energy efficiency and renewable energy production, companies engaged in pollution prevention, reduction, and mitigation, and companies engaged in green building work and green transportation; labor unions representing workers in those industries or labor affiliates administering state-approved, joint apprenticeship programs or labor-management partnership programs that train workers for these industries; state and local veterans agencies; employer associations; educational institutions; and local workforce development councils within the region that the panels propose to operate; and other key stakeholders as determined by the applicant. Any of these stakeholder organizations are eligible to receive grants under this section and serve as the intermediary that convenes and leads the panel. Panel applicants must provide labor market and industry analysis that demonstrates high demand, or demand of strategic importance to the development of the state's clean energy economy as identified in this section, for high-wage occupations, or occupations that are part of career pathways to the same, within the relevant industry sector. The panel shall:

(a) Conduct labor market and industry analyses, in consultation with the employment security department, and drawing on the findings of its research when available;

(b) Plan strategies to meet the recruitment and training needs of the industry and small businesses; and

(c) Leverage and align other public and private funding sources.

Sec. 118. RCW 43.330.375 and 2012 c 229 s 591 are each amended to read as follows:

(1) The department and the workforce board must:

(a) Coordinate efforts across the state to ensure that federal training and education funds are captured and deployed in a focused and effective manner in order to support green economy projects and accomplish the goals of the evergreen jobs initiative;

(b) Accelerate and coordinate efforts by state and local organizations to identify, apply for, and secure all sources of funds, particularly those created by the 2009 American recovery and reinvestment act, and to ensure that distributions of funding to local organizations are allocated in a manner that is time-efficient and user-friendly for the local organizations. Local organizations eligible to receive support include but are not limited to:

(i) Associate development organizations;

(ii) Workforce development councils;

(iii) Public utility districts; and

(iv) Community action agencies;

(c) Support green economy projects at both the state and local level by developing a process and a framework to provide, at a minimum:

(i) Administrative and technical assistance;

(ii) Assistance with and expediting of permit processes; and

(iii) Priority consideration of opportunities leading to exportable green economy goods and services, including renewable energy technology;

(d) Coordinate local and state implementation of projects using federal funds to ensure implementation is time-efficient and user-friendly for local organizations;

(e) Emphasize through both support and outreach efforts, projects that:

(i) Have a strong and lasting economic or environmental impact;

(ii) Lead to a domestically or internationally exportable good or service, including renewable energy technology;

(iii) Create training programs leading to a credential, certificate, or degree in a green economy field;

(iv) Strengthen the state's competitiveness in a particular sector or cluster of the green economy;

(v) Create employment opportunities for veterans, members of the national guard, and low-income and disadvantaged populations;

(vi) Comply with prevailing wage provisions of chapter 39.12 RCW;

(vii) Ensure at least fifteen percent of labor hours are performed by apprentices;

(f) Identify emerging technologies and innovations that are likely to contribute to advancements in the green economy, including the activities in designated innovation partnership zones established in RCW 43.330.270;

(g) Identify barriers to the growth of green jobs in traditional industries such as the forest products industry;

(h) Identify statewide performance metrics for projects receiving agency assistance. Such metrics may include:

(i) The number of new green jobs created each year, their wage levels, and, to the extent determinable, the percentage of new green jobs filled by veterans, members of the national guard, and low-income and disadvantaged populations;

(ii) The total amount of new federal funding secured, the respective amounts allocated to the state and local levels, and the timeliness of deployment of new funding by state agencies to the local level;

(iii) The timeliness of state deployment of funds and support to local organizations; and

(iv) If available, the completion rates, time to completion, and training-related placement rates for green economy postsecondary training programs;

(i) Identify strategies to allocate existing and new funding streams for green economy workforce training programs and education to emphasize those leading to a credential, certificate, or degree in a green economy field;

(j) Identify and implement strategies to allocate existing and new funding streams for workforce development councils and associate development organizations to increase their effectiveness and efficiency and increase local capacity to respond rapidly and comprehensively to opportunities to attract green jobs to local communities;

(k) Develop targeting criteria for existing investments that are consistent with ~~((the economic development commission's economic development strategy and))~~ the goals of this section and RCW 28C.18.170, 28B.50.281, and 49.04.200; and

(l) Make and support outreach efforts so that residents of Washington, particularly members of target populations, become aware of educational and employment opportunities identified and funded through the evergreen jobs act.

(2) The department and the workforce board must provide semiannual performance reports to the governor and appropriate committees of the legislature on:

(a) Actual statewide performance based on the performance measures identified in subsection (1)(h) of this section;

(b) How the state is emphasizing and supporting projects that lead to a domestically or internationally exportable good or service, including renewable energy technology;

(c) A list of projects supported, created, or funded in furtherance of the goals of the evergreen jobs initiative and the actions taken by state and local organizations, including the effectiveness of state agency support provided to local organizations as directed in subsection (1)(b) and (c) of this section;

(d) Recommendations for new or expanded financial incentives and comprehensive strategies to:

(i) Recruit, retain, and expand green economy industries and small businesses; and

(ii) Stimulate research and development of green technology and innovation, which may include designating innovation partnership zones linked to the green economy;

(e) Any information that associate development organizations and workforce development councils choose to provide to appropriate legislative committees regarding the effectiveness, timeliness, and coordination of support provided by state agencies under this section and RCW 28C.18.170, 28B.50.281, and 49.04.200; and

(f) Any recommended statutory changes necessary to increase the effectiveness of the evergreen jobs initiative and state responsiveness to local agencies and organizations.

(3) The definitions, designations, and results of the employment security department's broader labor market research under RCW 43.330.010 shall inform the planning and strategic direction of the department, the state workforce training and education coordinating board, the state board for community and technical colleges, and the student achievement council.

Sec. 119. RCW 50.38.050 and 2009 c 151 s 2 are each amended to read as follows:

The department shall have the following duties:

(1) Oversight and management of a statewide comprehensive labor market and occupational supply and demand information system, including development of a five-year employment forecast for state and labor market areas;

(2) Produce local labor market information packages for the state's counties, including special studies and job impact analyses in support of state and local employment, training, education, and job creation programs, especially activities that prevent job loss, reduce unemployment, and create jobs;

(3) Coordinate with the office of financial management and the office of the forecast council to improve employment estimates by enhancing data on corporate officers, improving business establishment listings, expanding sample for employment estimates, and developing business entry/analysis relevant to the generation of occupational and economic forecasts;

(4) In cooperation with the office of financial management, produce long-term industry and occupational employment forecasts. These forecasts shall be consistent with the official economic and revenue forecast council biennial economic and revenue forecasts; and

(5) Analyze labor market and economic data, including the use of input-output models, for the purpose of identifying industry clusters and strategic industry clusters that meet the criteria identified by the working group convened by the ~~((economic development commission))~~ department of commerce and the workforce training and education coordinating board under chapter 43.330 RCW.

Sec. 120. RCW 82.14.505 and 2010 c 164 s 8 are each amended to read as follows:

(1) Demonstration projects are designated to determine the feasibility of local revitalization financing. For the purpose of this section, "annual state contribution limit" means four million two hundred thousand dollars statewide per fiscal year.

(a) Notwithstanding RCW 39.104.100, the department must approve each demonstration project for 2009 as follows:

(i) The Whitman county Pullman/Moscow corridor improvement project award may not exceed two hundred thousand dollars;

(ii) The University Place improvement project award may not exceed five hundred thousand dollars;

(iii) The Tacoma international financial services area/Tacoma dome project award may not exceed five hundred thousand dollars;

(iv) The Bremerton downtown improvement project award may not exceed three hundred thirty thousand dollars;

(v) The Auburn downtown redevelopment project award may not exceed two hundred fifty thousand dollars;

(vi) The Vancouver Columbia waterfront/downtown project award may not exceed two hundred twenty thousand dollars; and

(vii) The Spokane University District project award may not exceed two hundred fifty thousand dollars.

(b) Notwithstanding RCW 39.104.100, the department must approve each demonstration project for 2010 meeting the requirements in subsection (2)(c) of this section as follows:

(i) The Richland revitalization area for industry, science and education project award may not exceed three hundred thirty thousand dollars;

(ii) The Lacey gateway town center project award may not exceed five hundred thousand dollars;

(iii) The Mill Creek east gateway planned urban village revitalization area project award may not exceed three hundred thirty thousand dollars;

(iv) The Puyallup river road revitalization area project award may not exceed two hundred fifty thousand dollars;

(v) The Renton south Lake Washington project award may not exceed five hundred thousand dollars; and

(vi) The New Castle downtown project ~~((award))~~ award may not exceed forty thousand dollars.

(2)(a) Local government sponsors of demonstration projects under subsection (1)(a) of this section must submit to the department no later than September 1, 2009, documentation that substantiates that the project has met the conditions, limitations, and requirements provided in chapter 270, Laws of 2009.

(b) Sponsoring local government of demonstration projects under subsection (1)(b) of this section must update and resubmit to the department no later than September 1, 2010, the application already on file with the department to substantiate that the project has met the conditions, limitations, and requirements provided in chapter 270, Laws of 2009 and chapter 164, Laws of 2010 and the project is substantially the same as the project in the original application submitted to the department in 2009.

(c) The department must not approve any resubmitted application unless an economic analysis by a qualified researcher at the department of economics at the University of Washington confirms that there is an eighty-five percent probability that the application's assumptions and estimates of jobs created and increased tax receipts will be achieved by the project and determines that net state tax revenue will increase as a result of the project by an amount that equals or exceeds the award authorized in subsection (1)(b) of this section. ~~((Prior to submitting the economic analysis to the department, the qualified researcher must consult with the economic development commission established in chapter 43.162 RCW regarding his or her preliminary findings. The final economic analysis must include comments and recommendations of the economic development commission.))~~

(3) Within ninety days of such submittal, the economic analysis in subsection (2)(c) of this section must be completed and the department must either approve demonstration projects that have met these conditions, limitations, and requirements or deny resubmitted applications that have not met these conditions, limitations, and requirements.

(4) Local government sponsors of demonstration projects may elect to decline the project awards as designated in this section, and may elect instead to submit applications according to the process described in RCW 39.104.100.

(5) If a demonstration project listed in subsection (1)(b) of this section does not update and resubmit its application to the department by the deadline specified in subsection (2)(b) of this section or if the demonstration project withdraws its application, the associated dollar amounts may not be approved for another project and may not be considered part of the annual state contribution limit under RCW 39.104.020(1).

Sec. 121. RCW 82.33A.010 and 2007 c 232 s 8 are each amended to read as follows:

(1) The economic climate council is hereby created.

(2) The council shall(~~(, in consultation with the Washington economic development commission,)~~) select a series of benchmarks that characterize the competitive environment of the state. The benchmarks should be indicators of the cost of doing business; the education and skills of the workforce; a sound infrastructure; and the quality of life. In selecting the appropriate benchmarks, the council shall use the following criteria:

(a) The availability of comparative information for other states and countries;

(b) The timeliness with which benchmark information can be obtained; and

(c) The accuracy and validity of the benchmarks in measuring the economic climate indicators named in this section.

(3) Each year the council shall prepare an official state economic climate report on the present status of benchmarks, changes in the benchmarks since the previous report, and the reasons for the changes. The reports shall include current benchmark comparisons with other states and countries, and an analysis of factors related to the benchmarks that may affect the ability of the state to compete economically at the national and international level.

(4) All agencies of state government shall provide to the council immediate access to all information relating to economic climate reports.

Sec. 122. RCW 43.131.418 and 2013 2nd sp.s. c 24 s 3 are each amended to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective July 1, 2021:

(1) RCW 28B.155.010 and 2014 c ... s 102 (section 102 of this act) & 2012 c 242 s 1; and

(2) RCW 28B.155.020 and 2012 c 242 s 2.

NEW SECTION. Sec. 123. The following acts or parts of acts are each repealed:

(1) RCW 43.162.005 (Findings--Intent) and 2011 c 311 s 1, 2007 c 232 s 1, & 2003 c 235 s 1;

(2) RCW 43.162.010 (Washington state economic development commission--Membership--Policies and procedures) and 2011 c 311 s 2, 2007 c 232 s 2, & 2003 c 235 s 2;

(3) RCW 43.162.012 ("Commission" defined) and 2011 c 311 s 3;

(4) RCW 43.162.015 (Executive director) and 2011 c 311 s 4 & 2007 c 232 s 3;

(5) RCW 43.162.020 (Duties--Biennial comprehensive statewide economic development strategy--Report--Biennial budget request--Memorandum of understanding--Performance evaluation--Gifts, grants, donations) and 2012 c 195 s 3, 2011 c 311 s 5, 2009 c 151 s 9, 2007 c 232 s 4, & 2003 c 235 s 3;

(6) RCW 43.162.025 (Additional authority) and 2011 c 311 s 6 & 2007 c 232 s 5;

(7) RCW 43.162.030 (Authority of governor and department of commerce not affected) and 2011 c 311 s 7, 2007 c 232 s 7, & 2003 c 235 s 4;

(8) RCW 43.162.040 (Washington state economic development commission account) and 2011 c 311 s 8; and

(9) RCW 82.33A.020 (Consulting with Washington economic development commission) and 2007 c 232 s 9 & 1996 c 152 s 4.

PART II

ELIMINATION OF THE WASHINGTON GLOBAL HEALTH TECHNOLOGIES

AND PRODUCT DEVELOPMENT COMPETITIVENESS

PROGRAM

NEW SECTION. Sec. 201. RCW 43.374.010 (Washington global health technologies and product development competitiveness program) and 2010 1st sp.s. c 13 s 2 are each repealed.

PART III

ELIMINATION OF THE WASHINGTON TOURISM

COMMISSION

NEW SECTION. Sec. 301. The following acts or parts of acts are each repealed:

(1) RCW 43.336.010 (Definitions) and 2009 c 565 s 42 & 2007 c 228 s 101;

(2) RCW 43.336.020 (Commission created--Composition--Terms-- Executive director--Rule-making authority) and 2011 1st sp.s. c 50 s 957, 2009 c 549 s 5178, & 2007 c 228 s 102;

(3) RCW 43.336.030 (Tourism industry expansion--Coordinated program--Strategic plan--Tourism marketing plan) and 2007 c 228 s 103;

(4) RCW 43.336.040 (Tourism competitive grant program) and 2007 c 228 s 104;

(5) RCW 43.336.050 (Tourism enterprise account) and 2011 c 5 s 914 & 2007 c 228 s 105;

(6) RCW 43.336.060 (Tourism development program--Report to the legislature) and 2009 c 518 s 13, 2007 c 228 s 107, & 1998 c 299 s 5; and

(7) RCW 43.336.900 (Part headings not law--2007 c 228) and 2007 c 228 s 204.

PART IV

ELIMINATION OF THE MICROENTERPRISE

DEVELOPMENT PROGRAM

Sec. 401. RCW 43.330.010 and 2011 c 286 s 4 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Associate development organization" means a local economic development nonprofit corporation that is broadly representative of community interests.

(2) "Department" means the department of commerce.

(3) "Director" means the director of the department of commerce.

(4) "Financial institution" means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business in this state under state or federal law.

(5) (~~"Microenterprise development organization" means a community development corporation, a nonprofit development organization, a nonprofit social services organization or other locally operated nonprofit entity that provides services to low income entrepreneurs.~~)

~~(6))~~ "Small business" has the same meaning as provided in RCW ~~((39.29.006))~~ 39.26.010.

~~((7))~~ "Statewide microenterprise association" means a nonprofit entity with microenterprise development organizations as members

that serves as an intermediary between the department of commerce and local microenterprise development organizations.)

NEW SECTION. Sec. 402. RCW 43.330.290 (Microenterprise development program) and 2009 c 565 s 15 & 2007 c 322 s 3 are each repealed.

PART V

MISCELLANEOUS PROVISIONS

NEW SECTION. Sec. 501. Section 106 of this act expires on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

NEW SECTION. Sec. 502. Section 107 of this act takes effect on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met."

On page 1, beginning on line 2 of the title, after "commissions;" strike the remainder of the title and insert "amending RCW 28B.30.530, 28B.155.010, 28C.18.060, 39.102.040, 43.160.060, 43.160.900, 43.330.050, 43.330.080, 43.330.082, 43.330.090, 43.330.250, 43.330.270, 43.330.280, 43.330.375, 50.38.050, 82.14.505, 82.33A.010, 43.131.418, and 43.330.010; reenacting and amending RCW 28C.18.080, 43.84.092, 43.84.092, and 43.330.310; repealing RCW 43.162.005, 43.162.010, 43.162.012, 43.162.015, 43.162.020, 43.162.025, 43.162.030, 43.162.040, 82.33A.020, 43.374.010, 43.336.010, 43.336.020, 43.336.030, 43.336.040, 43.336.050, 43.336.060, 43.336.900, and 43.330.290; providing a contingent effective date; and providing a contingent expiration date."

and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2029 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Morris and Smith spoke in favor of the passage of the bill.

Representative Habib was excused from the bar.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Second Substitute House Bill No. 2029, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute House Bill No. 2029, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 97; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz,

Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Excused: Representative Habib.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2029, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

March 12, 2014

Mr. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 2175 with the following amendment:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 80.36.375 and 1997 c 219 s 2 are each amended to read as follows:

(1) If a personal wireless service provider applies to site several microcells (~~and/or~~), minor facilities, or a small cell network in a single geographical area:

(a) If one or more of the microcells and/or minor facilities are not exempt from the requirements of RCW 43.21C.030(2)(c), local governmental entities are encouraged: (i) To allow the applicant, at the applicant's discretion, to file a single set of documents required by chapter 43.21C RCW that will apply to all the microcells and/or minor facilities to be sited; and (ii) to render decisions under chapter 43.21C RCW regarding all the microcells and/or minor facilities in a single administrative proceeding; (~~and~~)

(b) Local governmental entities are encouraged: (i) To allow the applicant, at the applicant's discretion, to file a single set of documents for land use permits that will apply to all the microcells and/or minor facilities to be sited; and (ii) to render decisions regarding land use permits for all the microcells and/or minor facilities in a single administrative proceeding; and

(c) For small cell networks involving multiple individual small cell facilities, local governmental entities may allow the applicant, if the applicant so chooses, to file a consolidated application and receive a single permit for the small cell network in a single jurisdiction instead of filing separate applications for each individual small cell facility.

(2) For the purposes of this section:

(a) "Personal wireless services" means commercial mobile services, unlicensed wireless services, and common carrier wireless exchange access services, as defined by federal laws and regulations.

(b) "Microcell" means a wireless communication facility consisting of an antenna that is either: (i) Four feet in height and with an area of not more than five hundred eighty square inches; or (ii) if a tubular antenna, no more than four inches in diameter and no more than six feet in length.

(c) "Minor facility" means a wireless communication facility consisting of up to three antennas, each of which is either: (i) Four feet in height and with an area of not more than five hundred eighty square inches; or (ii) if a tubular antenna, no more than four inches in diameter and no more than six feet in length; and the associated

equipment cabinet that is six feet or less in height and no more than forty-eight square feet in floor area.

(d) "Small cell facility" means a personal wireless services facility that meets both of the following qualifications:

(i) Each antenna is located inside an antenna enclosure of no more than three cubic feet in volume or, in the case of an antenna that has exposed elements, the antenna and all of its exposed elements could fit within an imaginary enclosure of no more than three cubic feet; and

(ii) Primary equipment enclosures are no larger than seventeen cubic feet in volume. The following associated equipment may be located outside the primary equipment enclosure and if so located, are not included in the calculation of equipment volume: Electric meter, concealment, telecomm demarcation box, ground-based enclosures, battery back-up power systems, grounding equipment, power transfer switch, and cut-off switch.

(e) "Small cell network" means a collection of interrelated small cell facilities designed to deliver personal wireless services.

Sec. 2. RCW 35.21.860 and 2007 c 6 s 1020 are each amended to read as follows:

(1) No city or town may impose a franchise fee or any other fee or charge of whatever nature or description upon the light and power, or gas distribution businesses, as defined in RCW 82.16.010, or telephone business, as defined in RCW 82.16.010, or service provider for use of the right-of-way, except:

(a) A tax authorized by RCW 35.21.865 may be imposed;

(b) A fee may be charged to such businesses or service providers that recovers actual administrative expenses incurred by a city or town that are directly related to receiving and approving a permit, license, and franchise, to inspecting plans and construction, or to the preparation of a detailed statement pursuant to chapter 43.21C RCW;

(c) Taxes permitted by state law on service providers;

(d) Franchise requirements and fees for cable television services as allowed by federal law; and

(e) A site-specific charge pursuant to an agreement between the city or town and a service provider of personal wireless services acceptable to the parties for:

(i) The placement of new structures in the right-of-way regardless of height, unless the new structure is the result of a mandated relocation in which case no charge will be imposed if the previous location was not charged;

(ii) The placement of replacement structures when the replacement is necessary for the installation or attachment of wireless facilities, the replacement structure is higher than the replaced structure, and the overall height of the replacement structure and the wireless facility is more than sixty feet; or

(iii) The placement of personal wireless facilities on structures owned by the city or town located in the right-of-way. However, a site-specific charge shall not apply to the placement of personal wireless facilities on existing structures, unless the structure is owned by the city or town.

A city or town is not required to approve the use permit for the placement of a facility for personal wireless services that meets one of the criteria in this subsection absent such an agreement. If the parties are unable to agree on the amount of the charge, the service provider may submit the amount of the charge to binding arbitration by serving notice on the city or town. Within thirty days of receipt of the initial notice, each party shall furnish a list of acceptable arbitrators. The parties shall select an arbitrator; failing to agree on an arbitrator, each party shall select one arbitrator and the two arbitrators shall select a third arbitrator for an arbitration panel. The arbitrator or arbitrators shall determine the charge based on comparable siting agreements involving public land and rights-of-way. The arbitrator or arbitrators shall not decide any other disputed issues, including but not limited to size, location, and zoning requirements. Costs of the arbitration, including compensation for the arbitrator's services, must be borne

equally by the parties participating in the arbitration and each party shall bear its own costs and expenses, including legal fees and witness expenses, in connection with the arbitration proceeding.

(2) Subsection (1) of this section does not prohibit franchise fees imposed on an electrical energy, natural gas, or telephone business, by contract existing on April 20, 1982, with a city or town, for the duration of the contract, but the franchise fees shall be considered taxes for the purposes of the limitations established in RCW 35.21.865 and 35.21.870 to the extent the fees exceed the costs allowable under subsection (1) of this section."

On page 1, line 2 of the title, after "industry;" strike the remainder of the title and insert "and amending RCW 80.36.375 and 35.21.860."

and the same is herewith transmitted.

Hunter Goodman, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 2175 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Morris and Smith spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Substitute House Bill No. 2175, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 2175, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 95; Nays, 3; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Kirby, Pollet and Reykdal.

SUBSTITUTE HOUSE BILL NO. 2175, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

March 13, 2014

MR. SPEAKER:

The President has signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5972
 ENGROSSED SUBSTITUTE SENATE BILL NO. 6001
 SENATE BILL NO. 6180
 ENGROSSED SUBSTITUTE SENATE BILL NO. 6265
 SECOND SUBSTITUTE SENATE BILL NO. 6312
 ENGROSSED SUBSTITUTE SENATE BILL NO. 6440
 SENATE BILL NO. 6505
 SENATE BILL NO. 6573

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

POINT OF PERSONAL PRIVILEGE

Representative Robinson thanked the cafeteria staff for all their hard work throughout the session.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

HOUSE BILL NO. 2304, by Representative Moscoso

Concerning marijuana processing and retail licenses.

The bill was read the second time.

There being no objection, Engrossed Substitute House Bill No. 2304 was substituted for House Bill No. 2304 and the substitute bill was placed on the second reading calendar.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2304 was read the second time.

Representative Moscoso moved the adoption of amendment (759):

On page 1, after line 4, insert the following:

"Sec. 1. RCW 69.50.101 and 2013 c 276 s 2 and 2013 c 116 s 1 are each reenacted and amended to read as follows:

Unless the context clearly requires otherwise, definitions of terms shall be as indicated where used in this chapter:

(a) "Administer" means to apply a controlled substance, whether by injection, inhalation, ingestion, or any other means, directly to the body of a patient or research subject by:

(1) a practitioner authorized to prescribe (or, by the practitioner's authorized agent); or

(2) the patient or research subject at the direction and in the presence of the practitioner.

(b) "Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser. It does not include a common or contract carrier, public warehouseperson, or employee of the carrier or warehouseperson.

(c) ("~~Board~~") "Commission" means the (~~(state board of)~~) pharmacy quality assurance commission.

(d) "Controlled substance" means a drug, substance, or immediate precursor included in Schedules I through V as set forth in federal or state laws, or federal or (~~board~~) commission rules.

(e)(1) "Controlled substance analog" means a substance the chemical structure of which is substantially similar to the chemical structure of a controlled substance in Schedule I or II and:

(i) that has a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II; or

(ii) with respect to a particular individual, that the individual represents or intends to have a stimulant, depressant, or

hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II.

(2) The term does not include:

(i) a controlled substance;

(ii) a substance for which there is an approved new drug application;

(iii) a substance with respect to which an exemption is in effect for investigational use by a particular person under Section 505 of the federal Food, Drug and Cosmetic Act, 21 U.S.C. Sec. 355, to the extent conduct with respect to the substance is pursuant to the exemption; or

(iv) any substance to the extent not intended for human consumption before an exemption takes effect with respect to the substance.

(f) "Deliver" or "delivery," means the actual or constructive transfer from one person to another of a substance, whether or not there is an agency relationship.

(g) "Department" means the department of health.

(h) "Dispense" means the interpretation of a prescription or order for a controlled substance and, pursuant to that prescription or order, the proper selection, measuring, compounding, labeling, or packaging necessary to prepare that prescription or order for delivery.

(i) "Dispenser" means a practitioner who dispenses.

(j) "Distribute" means to deliver other than by administering or dispensing a controlled substance.

(k) "Distributor" means a person who distributes.

(l) "Drug" means (1) a controlled substance recognized as a drug in the official United States pharmacopoeia/national formulary or the official homeopathic pharmacopoeia of the United States, or any supplement to them; (2) controlled substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in individuals or animals; (3) controlled substances (other than food) intended to affect the structure or any function of the body of individuals or animals; and (4) controlled substances intended for use as a component of any article specified in (1), (2), or (3) of this subsection. The term does not include devices or their components, parts, or accessories.

(m) "Drug enforcement administration" means the drug enforcement administration in the United States Department of Justice, or its successor agency.

(n) "Electronic communication of prescription information" means the transmission of a prescription or refill authorization for a drug of a practitioner using computer systems. The term does not include a prescription or refill authorization verbally transmitted by telephone nor a facsimile manually signed by the practitioner.

(o) "Immediate precursor" means a substance:

(1) that the (~~(state board of pharmacy))~~ commission has found to be and by rule designates as being the principal compound commonly used, or produced primarily for use, in the manufacture of a controlled substance;

(2) that is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled substance; and

(3) the control of which is necessary to prevent, curtail, or limit the manufacture of the controlled substance.

(p) "Isomer" means an optical isomer, but in subsection (~~((7))~~) (z)(5) of this section, RCW 69.50.204(a) (12) and (34), and 69.50.206(b)(4), the term includes any geometrical isomer; in RCW 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and 69.50.208(a) the term includes any positional or geometric isomer.

(q) "Lot" means a definite quantity of marijuana, useable marijuana, or marijuana-infused product identified by a lot number, every portion or package of which is uniform within recognized tolerances for the factors that appear in the labeling.

(r) "Lot number" shall identify the licensee by business or trade name and Washington state unified business identifier number, and the date of harvest or processing for each lot of marijuana, useable marijuana, or marijuana-infused product.

(s) "Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled substance, either directly or indirectly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container. The term does not include the preparation, compounding, packaging, repackaging, labeling, or relabeling of a controlled substance:

(1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled substance in the course of the practitioner's professional practice; or

(2) by a practitioner, or by the practitioner's authorized agent under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.

(t) "Marijuana" or "marihuana" means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

(u) "Marijuana concentrates" means products consisting wholly or in part of the resin extracted from any part of the plant Cannabis and having a THC concentration greater than sixty percent.

(v) "Marijuana processor" means a person licensed by the state liquor control board to process marijuana into useable marijuana and marijuana-infused products, package and label useable marijuana and marijuana-infused products for sale in retail outlets, and sell useable marijuana and marijuana-infused products at wholesale to marijuana retailers.

~~((w))~~ (w) "Marijuana producer" means a person licensed by the state liquor control board to produce and sell marijuana at wholesale to marijuana processors and other marijuana producers.

~~((x))~~ (x) "Marijuana-infused products" means products that contain marijuana or marijuana extracts ~~((and))~~, are intended for human use, and have a THC concentration greater than 0.3 percent and no greater than sixty percent. The term "marijuana-infused products" does not include either useable marijuana or marijuana concentrates.

~~((y))~~ (y) "Marijuana retailer" means a person licensed by the state liquor control board to sell useable marijuana and marijuana-infused products in a retail outlet.

~~((z))~~ (z) "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

(1) Opium, opium derivative, and any derivative of opium or opium derivative, including their salts, isomers, and salts of isomers, whenever the existence of the salts, isomers, and salts of isomers is possible within the specific chemical designation. The term does not include the isoquinoline alkaloids of opium.

(2) Synthetic opiate and any derivative of synthetic opiate, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, and salts is possible within the specific chemical designation.

(3) Poppy straw and concentrate of poppy straw.

(4) Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives or ecgonine or their salts have been removed.

(5) Cocaine, or any salt, isomer, or salt of isomer thereof.

(6) Cocaine base.

(7) Ecgonine, or any derivative, salt, isomer, or salt of isomer thereof.

(8) Any compound, mixture, or preparation containing any quantity of any substance referred to in subparagraphs (1) through (7).

~~((aa))~~ (aa) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability. The term includes opium, substances derived from opium (opium derivatives), and synthetic opiates. The term does not include, unless specifically designated as controlled under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). The term includes the racemic and levorotatory forms of dextromethorphan.

~~((ab))~~ (bb) "Opium poppy" means the plant of the species Papaver somniferum L., except its seeds.

~~((ac))~~ (cc) "Person" means individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

~~((ad))~~ (dd) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

~~((ae))~~ (ee) "Practitioner" means:

(1) A physician under chapter 18.71 RCW; a physician assistant under chapter 18.71A RCW; an osteopathic physician and surgeon under chapter 18.57 RCW; an osteopathic physician assistant under chapter 18.57A RCW who is licensed under RCW 18.57A.020 subject to any limitations in RCW 18.57A.040; an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010 subject to any limitations in RCW 18.53.010; a dentist under chapter 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; a veterinarian under chapter 18.92 RCW; a registered nurse, advanced registered nurse practitioner, or licensed practical nurse under chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW who is licensed under RCW 18.36A.030 subject to any limitations in RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific investigator under this chapter, licensed, registered or otherwise permitted insofar as is consistent with those licensing laws to distribute, dispense, conduct research with respect to or administer a controlled substance in the course of their professional practice or research in this state.

(2) A pharmacy, hospital or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

(3) A physician licensed to practice medicine and surgery, a dentist licensed to practice dentistry, a podiatric physician and surgeon licensed to practice podiatric medicine and surgery, a licensed physician assistant or a licensed osteopathic physician assistant specifically approved to prescribe controlled substances by his or her state's medical quality assurance commission or equivalent and his or her supervising physician, an advanced registered nurse practitioner licensed to prescribe controlled substances, or a veterinarian licensed to practice veterinary medicine in any state of the United States.

~~((af))~~ (ff) "Prescription" means an order for controlled substances issued by a practitioner duly authorized by law or rule in the state of Washington to prescribe controlled substances within the scope of his or her professional practice for a legitimate medical purpose.

~~((ff))~~ ~~(gg)~~ "Production" includes the manufacturing, planting, cultivating, growing, or harvesting of a controlled substance.

~~((gg))~~ ~~(hh)~~ "Retail outlet" means a location licensed by the state liquor control board for the retail sale of useable marijuana and marijuana-infused products.

~~((hh))~~ ~~(ii)~~ "Secretary" means the secretary of health or the secretary's designee.

~~((ii))~~ ~~(jj)~~ "State," unless the context otherwise requires, means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or insular possession subject to the jurisdiction of the United States.

~~((jj))~~ ~~(kk)~~ "THC concentration" means percent of delta-9 tetrahydrocannabinol content per dry weight of any part of the plant *Cannabis*, or per volume or weight of marijuana product, or the combined percent of delta-9 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant *Cannabis* regardless of moisture content.

~~((kk))~~ ~~(ll)~~ "Ultimate user" means an individual who lawfully possesses a controlled substance for the individual's own use or for the use of a member of the individual's household or for administering to an animal owned by the individual or by a member of the individual's household.

~~((ll))~~ ~~(mm)~~ "Useable marijuana" means dried marijuana flowers. The term "useable marijuana" does not include either marijuana-infused products or marijuana concentrates."

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 2, line 6, after "marijuana" insert "concentrates"

On page 2, line 10, after "useable marijuana," strike "and" and insert "~~((and))~~"

On page 2, line 11, after "products" insert ", and marijuana concentrates"

On page 2, line 24, after "marijuana" insert "concentrates"

On page 2, line 27, after "marijuana" insert "concentrates"

On page 3, line 2, after "marijuana" insert "concentrates"

On page 3, line 9, after "marijuana" insert "concentrates"

On page 3, line 10, after "marijuana" insert "concentrates"

On page 3, line 19, after "marijuana" insert "concentrates"

On page 3, line 20, after "marijuana" insert "concentrates"

On page 4, line 1, after "marijuana" insert "concentrates"

On page 4, line 14, after "marijuana" insert "concentrates"

On page 4, line 18, after "marijuana" insert "concentrates"

On page 4, line 23, after "marijuana" insert "concentrates"

On page 4, line 31, after "oi" strike "extract product" and insert "marijuana concentrate"

On page 8, line 20, after "marijuana" insert "concentrates"

On page 8, line 26, after "marijuana" insert "concentrates"

Correct the title.

Representative Moscoso spoke in favor of the adoption of the amendment.

Amendment (759) was adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

There being no objection, the House deferred action on ENGROSSED SUBSTITUTE HOUSE BILL NO. 2304, and the bill held its place on the third reading calendar.

ENGROSSED HOUSE BILL NO. 2397, by Representatives Seaquist, MacEwen, Orwall, Ryu, Morrell, Zeiger, Haler, Tarleton and Pollet

Concerning Medal of Honor special license plates.

The bill was read the second time.

Representative Klippert moved the adoption of amendment (974).

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 46.18.230 and 2011 c 332 s 5 are each amended to read as follows:

(1) A registered owner who has been awarded the ~~((Congressional))~~ Medal of Honor may apply to the department for no more than three special license plate(s) sets for use on ~~((a))~~ no more than three motor vehicles required to display one or two license plates, excluding vehicles registered under chapter 46.87 RCW, upon terms and conditions established by the department. The ~~((Congressional))~~ Medal of Honor recipient must:

(a) Provide proof from the Washington state department of veterans affairs showing receipt of the medal; and

(b) Be recorded as one of the registered owners of the motor vehicle on which the ~~((Congressional))~~ Medal of Honor license plate or plates will be displayed.

(2) ~~((Congressional))~~ Medal of Honor license plates must be issued:

(a) ~~((Only))~~ For ~~((a))~~ no more than three personal motor vehicles owned by a person(s) who ~~((have))~~ has received the ~~((Congressional))~~ Medal of Honor; and

(b) Without payment of vehicle license fees, license plate fees, and motor vehicle excise taxes.

(3) ~~((Congressional))~~ Medal of Honor license plates must be replaced, free of charge, if the license plates become lost, stolen, damaged, defaced, or destroyed.

(4) A ~~((Congressional))~~ Medal of Honor license plate or plates may be transferred, free of charge, from one motor vehicle to another motor vehicle owned by the ~~((Congressional))~~ Medal of Honor recipient upon application to the department, county auditor or other agent, or subagent appointed by the director.

(5) A registered owner who is eligible for Medal of Honor license plates may, in lieu of applying for the special license plates under this section, apply for regular issue license plates for no more than three personal motor vehicles owned by the registered owner and receive the full benefit of the vehicle license fee, license plate fee, and motor vehicle excise tax exemptions provided in subsection (2)(b) of this section.

"**Sec. 2.** RCW 46.16A.200 and 2011 c 171 s 46 are each amended to read as follows:

(1) **Design.** All license plates may be obtained by the director from the metal working plant of a state correctional facility or from any source in accordance with existing state of Washington purchasing procedures. License plates:

(a) May vary in background, color, and design;

(b) Must be legible and clearly identifiable as a Washington state license plate;

(c) Must designate the name of the state of Washington without abbreviation;

(d) Must be treated with fully reflectorized materials designed to increase visibility and legibility at night;

(e) Must be of a size and color and show the registration period as determined by the director; and

(f) Before July 1, 2010, may display a symbol or artwork approved by the former special license plate review board and the legislature. Beginning July 1, 2010, special license plate series approved by the department and enacted into law by the legislature may display a symbol or artwork approved by the department.

(2) **Exceptions to reflectorized materials.** License plates issued before January 1, 1968, are not required to be treated with reflectorized materials.

(3) **Dealer license plates.** License plates issued to a dealer must contain an indication that the license plates have been issued to a vehicle dealer.

(4)(a) **Furnished.** The director shall furnish to all persons making satisfactory application for a vehicle registration:

(i) Two identical license plates each containing the license plate number; or

(ii) One license plate if the vehicle is a trailer, semitrailer, camper, moped, collector vehicle, horseless carriage, or motorcycle.

(b) The director may adopt types of license plates to be used as long as the license plates are legible.

(5)(a) **Display.** License plates must be:

(i) Attached conspicuously at the front and rear of each vehicle if two license plates have been issued;

(ii) Attached to the rear of the vehicle if one license plate has been issued;

(iii) Kept clean and be able to be plainly seen and read at all times; and

(iv) Attached in a horizontal position at a distance of not more than four feet from the ground.

(b) The Washington state patrol may grant exceptions to this subsection if the body construction of the vehicle makes compliance with this section impossible.

(6) **Change of license classification.** A person who has altered a vehicle that makes the current license plate or plates invalid for the vehicle's use shall:

(a) Surrender the current license plate or plates to the department, county auditor or other agent, or subagent appointed by the director;

(b) Apply for a new license plate or plates; and

(c) Pay a change of classification fee required under RCW 46.17.310.

(7) **Unlawful acts.** It is unlawful to:

(a) Display a license plate or plates on the front or rear of any vehicle that were not issued by the director for the vehicle;

(b) Display a license plate or plates on any vehicle that have been changed, altered, or disfigured, or have become illegible;

(c) Use holders, frames, or other materials that change, alter, or make a license plate or plates illegible. License plate frames may be used on license plates only if the frames do not obscure license tabs or identifying letters or numbers on the plates and the license plates can be plainly seen and read at all times;

(d) Operate a vehicle unless a valid license plate or plates are attached as required under this section;

(e) Transfer a license plate or plates issued under this chapter between two or more vehicles without first making application to transfer the license plates. A violation of this subsection (7)(e) is a traffic infraction subject to a fine not to exceed five hundred dollars. Any law enforcement agency that determines that a license plate or plates have been transferred between two or more vehicles shall confiscate the license plate or plates and return them to the department for nullification along with full details of the reasons for confiscation. Each vehicle identified in the transfer will be issued a new license plate or plates upon application by the owner or owners and the payment of full fees and taxes; or

(f) Fail, neglect, or refuse to endorse the registration certificate and deliver the license plate or plates to the purchaser or transferee of the vehicle, except as authorized under this section.

(8) **Transfer.** (a) Standard issue license plates follow the vehicle when ownership of the vehicle changes unless the registered owner wishes to retain the license plates and transfer them to a replacement vehicle of the same use. A registered owner wishing to keep standard issue license plates shall pay the license plate transfer fee required under RCW 46.17.200(1)(c) when applying for license plate transfer.

(b) Special license plates and personalized license plates may be treated in the same manner as described in (a) of this subsection unless otherwise limited by law.

(c) License plates issued to the state or any county, city, town, school district, or other political subdivision entitled to exemption as provided by law may be treated in the same manner as described in (a) of this subsection.

(9) **Replacement.** (a) An owner or the owner's authorized representative shall apply for a replacement license plate or plates if the current license plate or plates assigned to the vehicle have been lost, defaced, or destroyed, or if one or both plates have become so illegible or are in such a condition as to be difficult to distinguish. An owner or the owner's authorized representative may apply for a replacement license plate or plates at any time the owner chooses.

(b) The application for a replacement license plate or plates must:

(i) Be on a form furnished or approved by the director; and

(ii) Be accompanied by the fee required under RCW 46.17.200(1)(a).

(c) The department shall not require the payment of any fee to replace a license plate or plates for vehicles owned, rented, or leased by foreign countries or international bodies to which the United States government is a signatory by treaty.

(10) **Periodic replacement.** License plates must be replaced periodically to ensure maximum legibility and reflectivity. The department shall:

(a) Use empirical studies documenting the longevity of the reflective materials used to make license plates;

(b) Determine how frequently license plates must be replaced; and

(c) Offer to owners the option of retaining the current license plate number when obtaining replacement license plates for the fee required in RCW 46.17.200(1)(b).

(11) **Periodic replacement--Exceptions.** The following license plates are not required to be periodically replaced as required in subsection (10) of this section:

(a) Horseless carriage license plates issued under RCW 46.18.255 before January 1, 1987;

(b) ~~((Congressional))~~ Medal of Honor license plates issued under RCW 46.18.230;

(c) License plates for commercial motor vehicles with a gross weight greater than twenty-six thousand pounds.

(12) **Rules.** The department may adopt rules to implement this section.

(13) **Tags or emblems.** The director may issue tabs or emblems to be attached to license plates or elsewhere on the vehicle to signify initial registration and renewals. Renewals become effective when tabs or emblems have been issued and properly displayed on license plates.

Sec. 3. RCW 46.18.277 and 2010 c 161 s 627 are each amended to read as follows:

(1) A registered owner may purchase personalized license plates with a special license plate background for any vehicle required to display one or two vehicle license plates, excluding:

(a) Amateur radio license plates;

(b) Collector vehicle license plates;

(c) Disabled American veteran license plates;

(d) Former prisoner of war license plates;

(e) Horseless carriage license plates;

(f) ~~((Congressional))~~ Medal of Honor license plates;

(g) Military affiliate radio system license plates;

- (h) Pearl Harbor survivor license plates;
- (i) Restored license plates; and
- (j) Vehicles registered under chapter 46.87 RCW.

(2) Personalized special license plates issued under this section must:

(a) Consist of numbers or letters or any combination of numbers or letters;

(b) Not exceed seven characters; and

(c) Not contain less than one character.

(3) The department may not issue or may refuse to issue personalized special license plates that:

(a) Duplicate or conflict with existing or projected vehicle license plate series or other numbering systems for records kept by the department; or

(b) May carry connotations offensive to good taste and decency or which would be misleading.

(4) Personalized special license plates must be issued only to the registered owner of the vehicle on which they are to be displayed. The registered owner must:

(a) Pay both the personalized license plate fee required under RCW 46.17.210 and the special license plate fee required under the applicable special license plate provision, in addition to any other fee or taxes due. License plate fees must be distributed as provided in chapter 46.68 RCW;

(b) Renew personalized special license plates annually, regardless of whether or not the vehicle on which the personalized special license plates are displayed will be driven on the public highways;

(c) Surrender personalized special license plates that have not been renewed to the department. The failure to surrender expired personalized special license plates is a traffic infraction; and

(d) Immediately report to the department when personalized special license plates have been transferred to another vehicle or another owner.

(5) The department may establish rules as necessary to carry out this section including, but not limited to, identifying the maximum number of positions on personalized special license plates for motorcycles.

NEW SECTION. Sec. 4. A new section is added to chapter 46.04 RCW to read as follows:

"Medal of Honor" means the Medal of Honor military decoration presented by the president of the United States, in the name of congress."

Correct the title.

Representative Klippert spoke in favor of the adoption of the amendment.

Amendment (974) was adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Klippert, Seaquist and Muri spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 2397.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 2397, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

ENGROSSED HOUSE BILL NO. 2397, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the seventh order of business.

THIRD READING

The House resumed consideration of ENGROSSED SUBSTITUTE HOUSE BILL NO. 2304 on third reading.

Representatives Moscoso and Wilcox spoke in favor of the passage of the bill.

POINT OF PARLIAMENTARY INQUIRY

Representative Green: "Mr. Speaker, how many votes are needed for the passage of Engrossed Substitute House Bill No. 2304?"

SPEAKER'S RULING

Mr. Speaker: "Initiative 502, passed by the voters in November 2012, established a system for the lawful production, manufacture, distribution and possession of recreational marijuana by persons over the age of 21.

The constitution requires a 2/3 vote to amend an initiative within the first two years of passage.

The initiative authorizes marijuana producers to sell marijuana and marijuana-infused products to retailers and authorizes retailers to sell marijuana and marijuana-infused products to consumers.

House Bill 2304 expands the authority of producers and retailers to include the sale of marijuana extracts.

Because the bill changes the products that producers and retailers are authorized to sell, the Speaker finds that the bill amends the initiative with the meaning of Article 2, section 31, and that a 2/3 vote is required for passage."

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 2304.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 2304, and the bill passed the House by the following vote: Yeas, 91; Nays, 7; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Hansen, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives DeBolt, Haler, Hargrove, Johnson, Klippert, Rodne and Ross.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2304, having received the necessary constitutional majority, was declared passed.

RECONSIDERATION

There being no objection, the House immediately reconsidered the vote by which ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2029 passed the House.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Second Substitute House Bill No. 2029, on reconsideration.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute House Bill No. 2029, on reconsideration, and the bill passed the House by the following vote: Yeas, 97; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist,

DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representative Habib.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2029, on reconsideration, having received the necessary constitutional majority, was declared passed.

CONFERENCE COMMITTEE REPORT

March 13, 2014

Engrossed Substitute Senate Bill No. 6002

Includes "New Item": YES

Mr. Speaker:

We of your Conference Committee, to whom was referred ENGROSSED SUBSTITUTE SENATE BILL NO. 6002, 2014 supplemental operating appropriations, have had the same under consideration and we recommend that:

All previous amendments not be adopted and that the attached striking amendment (H-4562.2/14) be adopted.

and that the bill do pass as recommended by the Conference Committee:

(Format changed to Accommodate Text)

Strike everything after the enacting clause and insert the following:

**"PART I
GENERAL GOVERNMENT**

Sec. 101. 2013 2nd sp.s. c 4 s 101 (uncodified) is amended to read as follows:

FOR THE HOUSE OF REPRESENTATIVES

General Fund--State Appropriation (FY 2014)	((\\$30,789,000))	<u>\$30,923,000</u>
General Fund--State Appropriation (FY 2015)	((\\$31,075,000))	<u>\$30,810,000</u>
Motor Vehicle Account--State Appropriation	\$1,765,000	
TOTAL APPROPRIATION	((\\$63,629,000))	<u>\$63,498,000</u>

The appropriations in this section are subject to the following conditions and limitations: A joint select task force on nuclear energy is created to study the generation of energy in the region through the use of nuclear power. The task force must report any findings and recommendations to the legislature by December 1, 2014.

(1) In its deliberations, the task force must consider the greatest amount of environmental benefit for each dollar spent based on the life-cycle cost of any nuclear power technology. Life-cycle costs must include the storage and disposal of any nuclear wastes.

(2) The task force must consist of eight members that serve on the legislative standing committees with primary jurisdiction over energy issues. The president of the senate shall appoint two members from the majority caucus, two members from the minority caucus, and an alternate. The speaker of the house of representatives shall appoint two members from each caucus and an alternate.

(3) The members of the task force shall select from among their members a chair and other officers as the task force deems appropriate.

(4) The task force must hold no more than four meetings, with two of those meetings in Richland, Washington.

(5) The task force must be staffed by senate committee services and the office of program research of the house of representatives.

(6) The task force terminates December 15, 2014.

Sec. 102. 2013 2nd sp.s. c 4 s 102 (uncodified) is amended to read as follows:

FOR THE SENATE

General Fund--State Appropriation (FY 2014)	((\\$21,150,000))	<u>\$21,240,000</u>
General Fund--State Appropriation (FY 2015)	((\\$23,405,000))	<u>\$23,216,000</u>
Motor Vehicle Account--State Appropriation	\$1,514,000	
TOTAL APPROPRIATION	((\\$46,069,000))	<u>\$45,970,000</u>

The appropriations in this section are subject to the following conditions and limitations: A joint select task force on nuclear energy is created to study the generation of energy in the region through the use of nuclear power. The task force must report any findings and recommendations to the legislature by December 1, 2014.

(1) In its deliberations, the task force must consider the greatest amount of environmental benefit for each dollar spent based on the life-cycle cost of any nuclear power technology. Life-cycle costs must include the storage and disposal of any nuclear wastes.

(2) The task force must consist of eight members that serve on the legislative standing committees with primary jurisdiction over energy issues. The president of the senate shall appoint two members from the majority caucus, two members from the minority caucus, and an alternate. The speaker of the house of representatives shall appoint two members from each caucus and an alternate.

(3) The members of the task force shall select from among their members a chair and other officers as the task force deems appropriate.

(4) The task force must hold no more than four meetings, with two of those meetings in Richland, Washington.

(5) The task force must be staffed by senate committee services and the office of program research of the house of representatives.

(6) The task force terminates December 15, 2014.

Sec. 103. 2013 2nd sp.s. c 4 s 103 (uncodified) is amended to read as follows:

FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund--State Appropriation (FY 2014)		\$62,000
General Fund--State Appropriation (FY 2015)	((\\$111,000))	<u>\$85,000</u>
Performance Audits of Government Account--State Appropriation		\$5,641,000
Medical Aid Account--State Appropriation		\$332,000
Accident Account--State Appropriation		\$332,000
TOTAL APPROPRIATION	((\\$6,478,000))	<u>\$6,452,000</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 2013-15 work plan as necessary to efficiently manage workload.

(2) \$332,000 of the medical aid account--state appropriation and \$332,000 of the accident account--state appropriation are provided for the purposes of chapter 37, Laws of 2011 (workers' compensation).

(3) \$323,000 of the performance audits of government account--state appropriation is provided for consultant and staff costs related to the economic analysis of tax preferences as directed by chapter 43.136 RCW.

(4) The joint legislative audit and review committee shall conduct an audit of Washington's state research universities. The purpose of the audit is to identify cost and profit centers within, and in partnership with, the research universities. The audit must focus on public funds; student fees, in particular tuition; and auxiliary enterprises, which for the purposes of the audit at the University of Washington includes University of Washington medical center, the internal lending program, the W fund, and the center for commercialization. The audit at each university must achieve the following:

(a) Assess the university's policies and practices for tracking per-student expenditures for instruction and identify the average amount per student that the university has spent on instruction for undergraduate students in each of the past five fiscal years;

(b) Obtain the university's definition of auxiliary enterprises and determine the number of auxiliary enterprises, including the University of Washington medical center, the University of Washington internal lending program, the W fund, and the center for commercialization, that exist in the university system, the methods the university uses to track revenue and expenditures of auxiliary enterprises, and the policies and practices the university has in place to ensure that state funding is not used to supplement or guarantee projects or programs authorized by auxiliary enterprises;

(c) Identify how much money is being spent on undergraduate education and to what extent undergraduate education is subsidizing graduate education; and

(d) Determine how tuition funds are being used and to what extent they are being used to fund the University of Washington medical center, the University of Washington internal lending program, the W fund, and the center for commercialization and to back bonds authorized by the university.

(5) The committee shall conduct a study of the current methods of collecting legal financial obligations and compare those methods with other debt collection methods, including contracting for debt collection of legal financial obligations. The study shall include analysis of the costs and revenues of current methods and compare those to alternatives, and include analysis of the impact of current methods and alternatives to revenues received by the state. Included shall be an examination of costs and revenue generation before and after the implementation of chapter 379, Laws of 2003 (SSB 5990) and chapter 362, Laws of 2005 (SSB 5256) and analysis of whether these changes met the legislative goals of reducing costs and increasing collections. A report on the results of the analysis shall be presented to the appropriate committees of the legislature by December 2014.

(6) The committee shall conduct a study of economic development programs and projects supported by the state general fund in the department of commerce. The study shall first review the extent to which these programs: (a) Included specific economic development targets; (b) monitored economic development targets; (c) required for programs which provided support or services through contracts, whether the contracts were structured such that if economic development targets were not met, contracts were reviewed or revised; and (d) changed the economic development targets of associate development organizations relative to funding increases since 2007. The study will include the feasibility of determining how to isolate other factors, such as general economic trends, from the impacts of economic development programs. The costs and options for conducting future analysis of the outcomes specific to economic development programs shall be included and a briefing report shall be provided to the appropriate committees of the legislature by December 1, 2013. A complete report with study data and conclusions shall be provided to the appropriate committees of the legislature by December 1, 2014.

(7) The committee shall analyze the incidence and level of taxation and business incentives available to the financial services industry in Washington State, and identify the relative differences in taxes and business incentives compared to California. A report shall be provided to the appropriate committees of the legislature by December 1, 2014.

(8) The committee shall conduct an analysis of how school districts use school days. The analysis must include:

(a) How school districts define classroom time, nonclassroom time, instructional time, noninstructional time, and any other definitions of how the school day is divided or used;

(b) Estimates of time in each category;

(c) How noninstructional time is distributed over the annual number of school days;

(d) When noninstructional hours occur;

(e) How noninstructional hours are used, including how much noninstructional time is devoted to professional development for the purposes of teacher and principal evaluation training or common core state standards training; and

(f) The extent to which the use of each category of time is identified or defined in collective bargaining agreements.

To the extent data is not available at the statewide level, the committee may use case studies or other methods to conduct the analysis. The committee shall submit a report of its findings to the education committees of the legislature by December 1, 2014.

(9) The committee shall review funding enhancement formulas that provide minimum staffing unit funding to small school districts and districts with school plants that have been judged by the state board of education to be remote and necessary. The committee will make an assessment of the current formulas and report any recommended adjustments to the legislative fiscal committees of the senate and the house of representatives by November 1, 2014. In assessing the current formulas, the committee may consider: Enhancements being made to basic education funding in the 2013-2015 omnibus appropriations act and committed to under Engrossed Substitute House Bill No. 2261 (chapter 548, Laws of 2009) and Substitute House Bill No. 2776 (chapter 236, Laws of 2010); developments in technology or educational service delivery since the formulas were established; practices in other states; districts' ability to provide students with access to a program of education; and inter-district equity.

~~((12))~~ (10) In carrying out the report required by RCW 44.28.157, the committee shall include by December 2014, an analysis of the impacts of using the Washington health benefit exchange established in chapter 43.71 RCW as a mechanism for providing health insurance for part-time certificated and classified K-12 public school employees. The analysis shall be conducted in coordination with the health care authority and shall include a review of how the exchange, federal health premium tax credits and subsidies for out-of-pocket expenses administered through the exchange, and Medicaid expansion have impacted, or could impact, health care costs for individuals, school districts, and the state. The analysis shall also include a review of the cost of stand-alone dental plans.

(11) The committee shall conduct an analysis of the changes to modifying the medicaid dispensing methods for contraceptive drugs in section 213(48) chapter 4, Laws of 2013 2nd special session. The analysis must include:

(a) Whether the changes to contraceptive methods are achieving the assumed budget savings; and

(b) A determination of whether a twelve-month supply is an optimal level of supply to achieve assumed savings at the lowest state cost.

Sec. 104. 2013 2nd sp.s. c 4 s 104 (uncodified) is amended to read as follows:

FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

General Fund--State Appropriation (FY 2014) ~~(((\$1,653,000))~~ \$1,642,000

General Fund--State Appropriation (FY 2015) ~~(((\$1,811,000))~~ \$1,788,000

TOTAL APPROPRIATION ~~(((\$3,464,000))~~ \$3,430,000

Sec. 105. 2013 2nd sp.s. c 4 s 105 (uncodified) is amended to read as follows:

FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund--State Appropriation (FY 2014)	(\$8,004,000)	<u>\$8,062,000</u>
General Fund--State Appropriation (FY 2015)	(\$7,973,000)	<u>\$7,976,000</u>
TOTAL APPROPRIATION	(\$15,977,000)	<u>\$16,038,000</u>

Sec. 106. 2013 2nd sp.s. c 4 s 106 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE STATE ACTUARY

General Fund--State Appropriation (FY 2015)		<u>\$163,000</u>
General Fund--Federal Appropriation		<u>\$163,000</u>
State Health Care Administration Account--State Appropriation		<u>\$227,000</u>
Department of Retirement Systems Expense Account—		
State Appropriation	(\$3,529,000)	<u>\$3,527,000</u>
TOTAL APPROPRIATION		<u>\$4,080,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$163,000 of the general fund--state appropriation for fiscal year 2015, \$163,000 of the general fund--federal appropriation, and \$227,000 of the state health care administration account appropriation are provided to improve the legislature's access to independent and objective health care actuarial analysis for the state medicaid and public employee benefits programs.

Sec. 107. 2013 2nd sp.s. c 4 s 107 (uncodified) is amended to read as follows:

FOR THE STATUTE LAW COMMITTEE

General Fund--State Appropriation (FY 2014)	(\$3,895,000)	<u>\$3,896,000</u>
General Fund--State Appropriation (FY 2015)	(\$4,102,000)	<u>\$4,053,000</u>
TOTAL APPROPRIATION	(\$7,997,000)	<u>\$7,949,000</u>

Sec. 108. 2013 2nd sp.s. c 4 s 108 (uncodified) is amended to read as follows:

FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES

General Fund--State Appropriation (FY 2014)	(\$3,686,000)	<u>\$3,558,000</u>
General Fund--State Appropriation (FY 2015)	(\$3,684,000)	<u>\$3,820,000</u>
TOTAL APPROPRIATION	(\$7,370,000)	<u>\$7,378,000</u>

Sec. 109. 2013 2nd sp.s. c 4 s 110 (uncodified) is amended to read as follows:

FOR THE SUPREME COURT

General Fund--State Appropriation (FY 2014)	(\$6,911,000)	<u>\$7,028,000</u>
General Fund--State Appropriation (FY 2015)	(\$6,836,000)	<u>\$6,813,000</u>
TOTAL APPROPRIATION	(\$13,747,000)	<u>\$13,841,000</u>

Sec. 110. 2013 2nd sp.s. c 4 s 111 (uncodified) is amended to read as follows:

FOR THE LAW LIBRARY

General Fund--State Appropriation (FY 2014)	(\$1,481,000)	<u>\$1,484,000</u>
General Fund--State Appropriation (FY 2015)	(\$1,468,000)	<u>\$1,457,000</u>
TOTAL APPROPRIATION	(\$2,949,000)	<u>\$2,941,000</u>

Sec. 111. 2013 2nd sp.s. c 4 s 112 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON JUDICIAL CONDUCT

General Fund--State Appropriation (FY 2014)	(\$1,068,000)	<u>\$1,071,000</u>
General Fund--State Appropriation (FY 2015)	(\$994,000)	<u>\$997,000</u>
TOTAL APPROPRIATION	(\$2,062,000)	<u>\$2,068,000</u>

Sec. 112. 2013 2nd sp.s. c 4 s 113 (uncodified) is amended to read as follows:

FOR THE COURT OF APPEALS

General Fund--State Appropriation (FY 2014)	(\$15,691,000)	<u>\$15,865,000</u>
General Fund--State Appropriation (FY 2015)	(\$15,685,000)	<u>\$15,811,000</u>
TOTAL APPROPRIATION	(\$31,376,000)	<u>\$31,676,000</u>

Sec. 113. 2013 2nd sp.s. c 4 s 114 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund--State Appropriation (FY 2014)	(\$51,085,000)	<u>\$51,403,000</u>
General Fund--State Appropriation (FY 2015)	(\$50,771,000)	<u>\$50,987,000</u>
General Fund--Federal Appropriation	(\$2,125,000)	<u>\$2,123,000</u>
General Fund--Private/Local Appropriation	(\$658,000)	<u>\$657,000</u>
Judicial Information Systems Account—		
State Appropriation	(\$46,611,000)	<u>\$53,517,000</u>
Judicial Stabilization Trust Account—		
State Appropriation		<u>\$6,691,000</u>
TOTAL APPROPRIATION	(\$157,944,000)	<u>\$165,378,000</u>

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

- (1) \$1,500,000 of the judicial information systems account--state appropriation is provided solely for development and implementation of the information network hub project.
- (2) \$2,138,000 of the judicial information systems account--state appropriation is provided solely for replacement of computer equipment, including servers, routers, and storage system upgrades.

~~((4))~~ (3) The distributions made under this subsection and distributions from the county criminal justice assistance account made pursuant to section 801 of this act constitute appropriate reimbursement for costs for any new programs or increased level of service for purposes of RCW 43.135.060.

~~((5))~~ (4) \$1,199,000 of the judicial information systems account--state appropriation is provided solely for replacing computer equipment at state courts and state judicial agencies.

~~((6))~~ (5) ~~(\$108,000 of the general fund--state appropriation for fiscal year 2014 and)~~ \$108,000 of the general fund--state appropriation for fiscal year 2015 ~~(are)~~ is provided solely for the implementation of chapter 210, Laws of 2013 (Senate Bill No. 5052) (superior court judges Whatcom county). The funds provided in this subsection shall be expended only if the fourth superior court judge position in Whatcom county is appointed and serving on the bench.

~~((7))~~ (6) ~~(\$108,000 of the general fund--state appropriation for fiscal year 2014 and)~~ \$108,000 of the general fund--state appropriation for fiscal year 2015 ~~(are)~~ is provided solely for the implementation of chapter 142, Laws of 2013 (House Bill No. 1175) (superior court judges Benton/Franklin counties). The funds provided in this subsection shall be expended only if the seventh superior court judge position in Benton and Franklin counties jointly is appointed and serving on the bench.

~~((8))~~ ~~\$11,300,000 of the judicial information systems account--state appropriation is provided solely for continued implementation of the superior court case management system project. The administrative office of the courts, in consultation with the judicial information systems committee, the superior court case management system project steering committee, and the office of the chief information officer shall develop a revised charter to implement the next phases of the superior court case management system. The revised charter shall insure that the superior court case management system project steering committee continues to provide contract oversight, in collaboration with the judicial information system committee, through the implementation period and various phases of the project. Oversight responsibilities throughout the various phases of the project must include, but are not limited to, vendor management, contract and deliverable management, and assuring satisfaction of the business and technical needs at the local level. The superior court case management system project steering committee may solicit input from user groups as deemed appropriate. The revised charter shall be approved by the judicial information systems committee)~~ (7) \$16,606,000 of the judicial information systems account--state appropriation is provided solely for continued implementation of the superior court case management system project. The administrative office of the courts, in consultation with the judicial information systems committee and the office of the chief information officer shall develop a revised superior court case management steering committee charter to implement the next phases of the superior court case management system. The steering committee members shall be appointed by the judicial information systems committee and shall consist of two members representing each of the following groups: Court administrators, superior court judges, county clerks, and the administrative office of the courts. The revised charter shall insure that voting members of the steering committee represent the administrative office of the courts and those courts that have implemented, or have committed to implement, the statewide superior court vendor solution as selected by the judicial information systems committee. The revised charter shall also insure that the superior court case management system project steering committee continues to provide contract oversight in collaboration with the judicial information system committee through the implementation period. Oversight responsibilities of the steering committee throughout the various phases of the project must include, but are not limited to, vendor management, contract and deliverable management, assuring reasonable satisfaction of the business and technical needs at the local level, receipt of stakeholder feedback, and communication between the various stakeholder groups and the judicial information systems committee. Issues of significant scope, schedule or budget changes, and risk mitigation strategies must be escalated to the judicial information systems committee for consideration. In the event that a majority of the steering committee members cannot reach a decision, the issue must be escalated to the judicial information systems committee for consideration. The superior court case management system project steering committee may solicit input from user groups as deemed appropriate. The revised charter shall be approved by the judicial information systems committee.

~~((9))~~ (8) \$1,399,000 of the general fund--state appropriation for fiscal year 2014 and \$1,399,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for school districts for petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. The administrator for the courts shall develop an interagency agreement with the superintendent of public instruction to allocate the funding provided in this subsection. Allocation of this money to school districts shall be based on the number of petitions filed. This funding includes amounts school districts may expend on the cost of serving petitions filed under RCW 28A.225.030 by certified mail or by personal service or for the performance of service of process for any hearing associated with RCW 28A.225.030.

~~((10))~~ (9)(a) \$7,313,000 of the general fund--state appropriation for fiscal year 2014 and \$7,313,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The administrator for the courts, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

(b) Each fiscal year during the 2013-2015 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing truancy, children in need of services, and at-risk youth petitions. Counties shall submit the reports to the administrator for the courts no later than 45 days after the end of the fiscal year. The administrator for the courts shall electronically transmit this information to the chairs and ranking minority members of the house of representatives and senate fiscal committees no later than 60 days after a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

~~((11))~~ (10) \$274,000 of the general fund--state appropriation for fiscal year 2014 and \$274,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the office of public guardianship to continue guardianship services for those low-income incapacitated persons who were receiving services on June 30, 2013.

~~((12))~~ ~~\$333,000~~ (11) \$1,426,000 of the judicial information systems account--state appropriation is provided solely for the content management system for the appellate courts.

(12) The administrative office of the courts and the judicial information systems committee shall develop statewide superior court data collection and exchange standards. Upon implementation, these standards must be met by each superior court in order to continue to receive judicial information systems account funding or equipment and services funded by the account. For those courts that do not use the statewide superior court vendor solution as chosen by the judicial information systems committee, judicial information systems account

funds may not be allocated for (a) the costs to meet the data collection and exchange standards developed by administrative office of the courts and judicial information systems committee, and (b) the costs to develop and implement local court case management systems.

(13) \$200,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the office of public guardianship for the purpose of providing guardianship services to low income and indigent alleged or actual incapacitated persons.

Sec. 114. 2013 2nd sp.s. c 4 s 115 (uncodified) is amended to read as follows:

FOR THE OFFICE OF PUBLIC DEFENSE

General Fund--State Appropriation (FY 2014)	((30,410,000))	<u>\$30,912,000</u>
General Fund--State Appropriation (FY 2015)	((33,719,000))	<u>\$35,475,000</u>
Judicial Stabilization Trust Account—State Appropriation		\$3,648,000
General Fund--Federal Appropriation	((152,000))	<u>\$304,000</u>
TOTAL APPROPRIATION	((67,929,000))	<u>\$70,339,000</u>

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

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

(2) \$3,378,000 of the general fund--state appropriation for fiscal year 2015 is provided solely to expand the parents representation program into Asotin, Columbia, Garfield, King, Whatcom, and Whitman counties.

(3) \$225,000 of the general fund--state appropriation for fiscal year 2014 and \$1,721,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for parents representation program costs related to increased parental rights termination filings from the department of social and health services permanency initiative.

(4) \$50,000 of the general fund--state appropriation for fiscal year 2014 and \$50,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the immigration consequences advisement program at the Washington defenders association.

Sec. 115. 2013 2nd sp.s. c 4 s 116 (uncodified) is amended to read as follows:

FOR THE OFFICE OF CIVIL LEGAL AID

General Fund--State Appropriation (FY 2014)	((10,862,000))	<u>\$10,910,000</u>
General Fund--State Appropriation (FY 2015)	((10,870,000))	<u>\$12,105,000</u>
Judicial Stabilization Trust Account— State Appropriation	((1,454,000))	<u>\$1,453,000</u>
TOTAL APPROPRIATION	((23,186,000))	<u>\$24,468,000</u>

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

(1) An amount not to exceed \$40,000 of the general fund--state appropriation for fiscal year 2014 and an amount not to exceed \$40,000 of the general fund--state appropriation for fiscal year 2015 may be used to provide telephonic legal advice and assistance to otherwise eligible persons who are sixty years of age or older on matters authorized by RCW 2.53.030(2) (a) through (k) regardless of household income or asset level.

(2) \$48,000 of the general fund--state appropriation for fiscal year 2014 and \$956,000 of the general fund--state appropriation for fiscal year 2015 is provided solely to implement Engrossed Second Substitute Senate Bill No. 6126 (representation of children in dependency matters) and to fund the cost of legal services. The office is authorized to include in its contracts with counties provisions to reduce reimbursement levels, impose case funding limits or other measures to remain within appropriated amounts. If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

Sec. 116. 2013 2nd sp.s. c 4 s 117 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE GOVERNOR

General Fund--State Appropriation (FY 2014)	((5,509,000))	<u>\$5,565,000</u>
General Fund--State Appropriation (FY 2015)	((5,217,000))	<u>\$5,225,000</u>
Economic Development Strategic Reserve Account— State Appropriation		\$4,000,000
TOTAL APPROPRIATION	((14,726,000))	<u>\$14,790,000</u>

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

(1) \$4,000,000 of the economic development strategic reserve account appropriation is provided solely for efforts to assist with currently active industrial recruitment efforts that will bring new jobs to the state or will retain headquarter locations of major companies currently housed in the state.

(2) \$684,000 of the general fund--state appropriation for fiscal year 2014 and \$684,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the office of the education ombudsman.

(3) \$258,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5802 (greenhouse gas emissions). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(4) \$35,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for the implementation of Second Substitute House Bill No. 1709 (foreign language interpreters). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(5) \$50,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the office of the education ombuds to provide special education ombuds services. Beginning in fiscal year 2015, the superintendent of public instruction must enter into an interagency agreement with the office of the education ombuds to provide support for additional special education ombuds services.

(6) Within appropriated funds, the office of the education ombuds shall develop a scope of work and proposed plan for a task force on success for students with special needs that will: (a) Define and assess barriers that students placed or qualified to be placed in special education and students with a plan for accommodation under section 504 of the federal rehabilitation act of 1973 face in earning a high school diploma and fully accessing the educational program provided by the public schools; and (b) outline recommendations for

systemic changes and successful models for education and service delivery, including improved coordination of early learning through postsecondary education and career preparation. With input from interested parents, educators, state agencies, and organizations representing students placed or qualified to be placed in special education and students with a section 504 plan, the office of the education ombuds shall invite representative individuals to participate in the task force. The office of the education ombuds shall submit the scope of work and proposed task force plan to the education and fiscal committees of the legislature by December 1, 2014, along with a request for additional funds necessary to implement the plan. To the extent possible within appropriated funds, the office of the education ombuds may convene the task force and commence its work before June 30, 2015.

Sec. 117. 2013 2nd sp.s. c 4 s 118 (uncodified) is amended to read as follows:

FOR THE LIEUTENANT GOVERNOR

General Fund--State Appropriation (FY 2014)		\$654,000
General Fund--State Appropriation (FY 2015)	(\$658,000)	<u>\$657,000</u>
General Fund--Private/Local Appropriation		\$90,000
TOTAL APPROPRIATION	(\$1,402,000)	<u>\$1,401,000</u>

Sec. 118. 2013 2nd sp.s. c 4 s 119 (uncodified) is amended to read as follows:

FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund--State Appropriation (FY 2014)	(\$2,082,000)	<u>\$2,084,000</u>
General Fund--State Appropriation (FY 2015)	(\$2,015,000)	<u>\$2,044,000</u>
TOTAL APPROPRIATION	(\$4,097,000)	<u>\$4,128,000</u>

Sec. 119. 2013 2nd sp.s. c 4 s 120 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2014)	(\$11,356,000)	<u>\$11,813,000</u>
General Fund--State Appropriation (FY 2015)	(\$9,535,000)	<u>\$9,440,000</u>
General Fund--Federal Appropriation	(\$7,419,000)	<u>\$7,428,000</u>
General Fund--Private/Local Appropriation		<u>\$20,000</u>
Public Records Efficiency, Preservation, and Access Account—		
State Appropriation	(\$7,361,000)	<u>\$8,336,000</u>
Charitable Organization Education Account—		
State Appropriation		\$364,000
Local Government Archives Account—		
State Appropriation	(\$8,467,000)	<u>\$8,485,000</u>
Election Account--Federal Appropriation	(\$12,016,000)	<u>\$12,006,000</u>
Washington State Heritage Center Account—		
State Appropriation		\$8,860,000
TOTAL APPROPRIATION	(\$65,378,000)	<u>\$66,752,000</u>

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

(1) ~~(\$3,301,000)~~ \$3,767,000 of the general fund--state appropriation for fiscal year 2014 is provided solely to reimburse counties for the state's share of primary and general election costs and the costs of conducting mandatory recounts on state measures. Counties shall be reimbursed only for those odd-year election costs that the secretary of state validates as eligible for reimbursement.

(2)(a) \$1,847,000 of the general fund--state appropriation for fiscal year 2014 and \$1,926,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for contracting with a nonprofit organization to produce gavel-to-gavel television coverage of state government deliberations and other events of statewide significance during the 2013-2015 fiscal biennium. The funding level for each year of the contract shall be based on the amount provided in this subsection. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in this subsection have been satisfactorily documented.

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

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

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

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

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

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

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

(4) It is the intent of the legislature to consider during the 2014 legislative session funding for the publication and distribution of a primary election voters pamphlet.

(5) \$771,000 of the general fund--state appropriation for fiscal year 2014 and \$772,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the state library to purchase statewide on-line access to the information technology academy to allow public access to on-line courses and learning resources through public libraries.

(6) The legislature finds that the volume of state records retained in paper format continues to grow, increasing the records storage costs for the state. The secretary of state shall convene a work group to study methods for retaining records in electronic formats and for shorter periods of time, with the goal of reducing the volume of stored paper records by ten percent by the end of 2016, and an additional ten percent by the end of 2018. The following state agencies shall participate in the work group, which shall report to the appropriate committees of the legislature by December 31, 2014, and December 31, 2015:

- (a) Office of the secretary of state;
- (b) Office of the attorney general;
- (c) Office of the state auditor;
- (d) Office of financial management;
- (e) Department of corrections;
- (f) Department of social and health services;
- (g) Department of health; and
- (h) Department of transportation.

Sec. 120. 2013 2nd sp.s. c 4 s 121 (uncodified) is amended to read as follows:

FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund--State Appropriation (FY 2014)	((253,000))	<u>\$249,000</u>
General Fund--State Appropriation (FY 2015)	((248,000))	<u>\$250,000</u>
TOTAL APPROPRIATION	((501,000))	<u>\$499,000</u>

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

Sec. 121. 2013 2nd sp.s. c 4 s 122 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2014)	((213,000))	<u>\$210,000</u>
General Fund--State Appropriation (FY 2015)	((207,000))	<u>\$208,000</u>
TOTAL APPROPRIATION	((420,000))	<u>\$418,000</u>

Sec. 122. 2013 2nd sp.s. c 4 s 123 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER

State Treasurer's Service Account--State Appropriation	((14,924,000))	<u>\$14,872,000</u>
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The appropriation in this section is subject to the following conditions and limitations: \$150,000 of the state treasurer's service account--state appropriation is provided solely for legal fees related to additional legal assistance due to changes in federal financial regulations and an increase in complex and high profile litigation.

Sec. 123. 2013 2nd sp.s. c 4 s 124 (uncodified) is amended to read as follows:

FOR THE STATE AUDITOR

General Fund--State Appropriation (FY 2014)	((728,000))	<u>\$755,000</u>
General Fund--State Appropriation (FY 2015)	((733,000))	<u>\$754,000</u>
State Auditing Services Revolving Account—State Appropriation	((9,573,000))	<u>\$9,821,000</u>
((Performance Audits of Government Account—State Appropriation	((56,000))	
TOTAL APPROPRIATION	((11,090,000))	<u>\$11,330,000</u>

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

(1) ~~((728,000))~~ \$755,000 of the general fund--state appropriation for fiscal year 2014 and ~~((733,000))~~ \$754,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for staff and related costs to verify the accuracy of reported school district data submitted for state funding purposes; conduct school district program audits of state funded public school programs; establish the specific amount of state funding adjustments whenever audit exceptions occur and the amount is not firmly established in the course of regular public school audits; and to assist the state special education safety net committee when requested.

(2)(a) \$300,000 of the state auditing services revolving account--state appropriation is provided solely to contract with a private firm with accounting expertise to conduct an audit of the use of dedicated local and operating fee accounts by the state's public institutions of higher education. For the purpose of this audit, the public institutions of higher education means the state's colleges and universities as defined in RCW 28B.15.005, one public community and technical college selected by the state auditor that offers applied baccalaureate programs, and one public community and technical college selected by the state auditor that does not offer applied baccalaureate programs.

(b) The legislature intends that tuition revenue be expended in support of instruction and student support services and that other dedicated fees are expended for the purposes for which they are charged. As a result, the legislature directs this audit to examine the accounting of these accounts; to provide clarity regarding the use of these accounts; and to make recommendations for improvement that will support the ongoing clarity, transparency, and accurate accounting of the use of these accounts in accordance with legislative intent. The final audit must include:

(i) For the 2007-2009 through the 2011-2013 fiscal biennia, a thorough examination of the accounting, as required by governmental accounting standards board requirements that govern accounting functions of the office of financial management, of:

- (A) All revenue into these accounts;
- (B) All expenditures out of these accounts; and

(C) All transfers to, from, and within these accounts:

(ii) A narrative summary of the management and uses of these accounts by the institutions of higher education, including an explanation of the reserve policies implemented by the institutions of higher education that govern fund balances in these accounts; and

(iii) Recommendations to improve current practices that will support the ongoing clarity, transparency, and accurate accounting of the use of these accounts in a manner that satisfies the governmental accounting standards board requirements that govern accounting functions of the office of financial management and that aligns with the legislature's intended use of these accounts.

(c) The final audit shall be submitted to the governor and the appropriate committees of the legislature by January 1, 2015. The state auditor shall recover the costs of this audit, which may not exceed the amount provided in this subsection, from the state's colleges and universities and the state board for community and technical colleges.

(d) With any funds remaining from the audit required by this subsection, the state auditor shall review other issues of significance in support of the goal of achieving transparency in the use of funding sources available to institutions of higher education.

Sec. 124. 2013 2nd sp.s. c 4 s 125 (uncodified) is amended to read as follows:

FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund--State Appropriation (FY 2014)	(\$141,000)	<u>\$138,000</u>
General Fund--State Appropriation (FY 2015)	(\$171,000)	<u>\$170,000</u>
TOTAL APPROPRIATION	(\$312,000)	<u>\$308,000</u>

Sec. 125. 2013 2nd sp.s. c 4 s 126 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2014)	(\$10,456,000)	<u>\$11,019,000</u>
General Fund--State Appropriation (FY 2015)	(\$10,132,000)	<u>\$10,803,000</u>
General Fund--Federal Appropriation		\$7,114,000
New Motor Vehicle Arbitration Account— State Appropriation	(\$997,000)	<u>\$990,000</u>
Legal Services Revolving Account— State Appropriation	(\$191,286,000)	<u>\$205,174,000</u>
Tobacco Prevention and Control Account— State Appropriation		\$271,000
Medicaid Fraud Penalty Account— State Appropriation	(\$2,279,000)	<u>\$2,333,000</u>
Public Services Revolving Account— State Appropriation	(\$2,093,000)	<u>\$2,106,000</u>
TOTAL APPROPRIATION	(\$224,628,000)	<u>\$239,810,000</u>

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

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

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

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

(4) The executive ethics board shall: (a) Develop a statewide plan, with performance measures, to provide overall direction and accountability in all executive branch agencies and statewide elected offices; (b) coordinate and work with the commission on judicial conduct and the legislative ethics board; (c) assess and evaluate each agency's ethical culture through employee and stakeholder surveys, review Washington state quality award feedback reports, and publish an annual report on the results to the public; and (d) solicit outside evaluations, studies, and recommendations for improvements from academics, nonprofit organizations, the public disclosure commission, or other entities with expertise in ethics, integrity, and the public sector.

(5) \$424,000 of the legal services revolving account--state appropriation is provided solely for replacement of a portion of the agency's personal computers. The amount provided in this subsection is conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer and section 945 of this act, personal computer acquisition and replacement.

(6) \$609,000 of the legal services revolving account--state appropriation is provided solely for upgrades to software programs. The amount provided in this subsection is conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(7) \$150,000 of the legal services revolving account--state appropriation is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5405 (extended foster care). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(8) \$50,000 of the general fund--state appropriation for fiscal year 2014 and \$50,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the implementation of Engrossed Substitute House Bill No. 1341 (wrongful imprisonment). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(9) \$189,000 of the legal services revolving account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1420 (transportation improvement projects). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(10) \$2,093,000 of the public service revolving account--state appropriation is provided solely for the work of the public counsel section of the office of the attorney general.

(11) \$353,000 of the general fund--state appropriation for fiscal year 2014 and \$353,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a grant to the Washington coalition of crime victim advocates to provide training, certification, and technical assistance for crime victim service center advocates.

(12) \$69,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for implementation of Substitute House Bill No. 2171 (veterans, military personnel). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(13) \$182,000 of the general fund--state appropriation for fiscal year 2015, \$13,000 of the public service revolving account--state appropriation, \$54,000 of the medicaid fraud penalty account--state appropriation, and \$3,128,000 of the legal services revolving account--state appropriation are provided solely for the purposes of salary adjustments addressing recruitment and retention issues for assistant attorneys general in the first six years of their employment with the attorney general's office.

(14) \$80,000 of the legal services revolving account--state appropriation is provided solely for implementation of Engrossed Third Substitute Senate Bill No. 5887 (medical and recreational marijuana). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

Sec. 126. 2013 2nd sp.s. c 4 s 127 (uncodified) is amended to read as follows:

FOR THE CASELOAD FORECAST COUNCIL

General Fund--State Appropriation (FY 2014)	(\$1,260,000)	<u>\$1,211,000</u>
General Fund--State Appropriation (FY 2015)	(\$1,230,000)	<u>\$1,192,000</u>
TOTAL APPROPRIATION	(\$2,490,000)	<u>\$2,403,000</u>

Sec. 127. 2013 2nd sp.s. c 4 s 128 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

General Fund--State Appropriation (FY 2014)	(\$63,076,000)	<u>\$61,546,000</u>
General Fund--State Appropriation (FY 2015)	(\$60,151,000)	<u>\$63,394,000</u>
General Fund--Federal Appropriation	(\$265,004,000)	<u>\$266,732,000</u>
General Fund--Private/Local Appropriation	(\$5,638,000)	<u>\$5,595,000</u>
Public Works Assistance Account—		
State Appropriation	(\$3,036,000)	<u>\$3,013,000</u>
Drinking Water Assistance Administrative Account—		
State Appropriation	(\$445,000)	<u>\$442,000</u>
Lead Paint Account--State Appropriation		<u>\$147,000</u>
Building Code Council Account--State Appropriation		<u>\$13,000</u>
Home Security Fund Account-State Appropriation	(\$25,452,000)	<u>\$25,457,000</u>
Affordable Housing for All Account—		
State Appropriation	(\$11,915,000)	<u>\$11,908,000</u>
Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account—		
State Appropriation	(\$969,000)	<u>\$1,166,000</u>
Low-Income Weatherization <u>and Structural Rehabilitation</u> Assistance Account—		
State Appropriation	(\$1,882,000)	<u>\$1,879,000</u>
Community and Economic Development Fee Account—		
State Appropriation	(\$5,303,000)	<u>\$5,298,000</u>
Washington Housing Trust Account—		
State Appropriation	(\$19,592,000)	<u>\$18,481,000</u>
Prostitution Prevention and Intervention Account--		
State Appropriation		<u>\$98,000</u>
Public Facility Construction Loan Revolving Account—		
State Appropriation	(\$758,000)	<u>\$752,000</u>
Washington Community Technology Opportunity Account--		
Private/Local Appropriation		<u>\$10,000</u>
Liquor Revolving Account--State Appropriation		<u>\$5,605,000</u>
TOTAL APPROPRIATION	(\$469,094,000)	<u>\$471,536,000</u>

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

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

(2) \$500,000 of the general fund--state appropriation for fiscal year 2014 and \$500,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a grant to resolution Washington to building statewide capacity for alternative dispute resolution centers and dispute resolution programs that guarantee that citizens have access to low-cost resolution as an alternative to litigation.

(3) \$306,000 of the general fund--state appropriation for fiscal year 2014 and \$306,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a grant to the retired senior volunteer program.

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

(5) \$375,000 of the general fund--state appropriation for fiscal year 2014 and \$375,000 of the general fund--state appropriation for fiscal year 2015 are provided solely as pass-through funding to Walla Walla Community College for its water and environmental center.

(6) \$1,800,000 of the home security fund--state appropriation is provided for transitional housing assistance or partial payments for rental assistance under the independent youth housing program.

(7) \$5,000,000 of the home security fund--state appropriation is for the operation, repair, and staffing of shelters in the homeless family shelter program.

(8) \$198,000 of the general fund--state appropriation for fiscal year 2014 and (~~(\$198,000)~~) \$396,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington new Americans program.

(9) \$2,949,000 of the general fund--state appropriation for fiscal year 2014 and \$2,949,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for associate development organizations. During the 2013-2015 fiscal biennium, the department shall consider an associate development organization's total resources when making contracting and fund allocation decisions, in addition to the schedule provided in RCW 43.330.086.

(10) \$234,000 of the general fund--state appropriation for fiscal year 2014 and \$233,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington asset building coalitions.

(11) \$5,605,000 of the liquor revolving account--state appropriation is provided solely for the department to contract with the municipal research and services center of Washington.

(12) \$500,000 of the general fund--state appropriation for fiscal year 2014 and \$500,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the purposes of purchasing contracted services to expand and promote the tourism industry in the state of Washington.

(a) The department must contract with the Washington tourism alliance. Expenditure of state moneys is contingent upon the contractor providing a dollar for dollar cash or in-kind match. Funding must be provided for the following services:

(i) Serving as a central point of contact through developing and maintaining a web portal for Washington tourism, operating a call center, and mailing travel guides;

(ii) Promoting Washington as a tourism destination to national and international markets, with emphasis on markets in Europe and Asia;

(iii) Providing information to businesses and local communities on tourism opportunities that could expand local revenues; and

(iv) Conducting tourism-related research, including market research and measuring the return on investment of funded activities.

(b) The department may not use more than 4 percent of the funds to administer, monitor, and report the outcomes of the services. The department must electronically submit performance metrics by January 1, 2014, and report the outcomes of the services by January 1, 2015, to the economic development committees of the legislature.

(c) The department has the authority to designate one or more alternative contractors if necessary due to performance or other significant issues. Such change must only be made after consultation with the Washington tourism alliance, the governor's office, and the chairs and ranking members of the economic development committees of the legislature.

(13) \$72,000 of the prostitution prevention and intervention account is provided solely for implementation of Engrossed Substitute House Bill No. 1291 (sex trade victims). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(14) \$49,000 of the general fund--state appropriation for fiscal year 2014 and \$49,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of House Bill No. 1818 (business and government streamlining). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(15) \$36,000 of the general fund--state appropriation for fiscal year 2014 and \$37,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the department to develop an economic cluster strategy to leverage the state's unique maritime assets, geography, history, and infrastructure. Goals include growing employment, targeted economic activity, environmental considerations, tax revenue to state and local governments, and quality of life associated with the maritime sector by working with the industry to understand workforce needs, parity considerations with Oregon and British Columbia, and tax structure and regulatory barriers. The department will report its findings to the appropriate committees of the legislature no later than December 1, 2014.

(16) \$2,000,000 of the Washington housing trust account--state appropriation is provided solely for the department of commerce for services to homeless families through the Washington families fund.

(17) \$5,000,000 of the home security account--state appropriation is provided solely for the department of commerce to provide emergency assistance to homeless families in the temporary assistance for needy families program.

(18) \$75,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for the economic development commission to retain one current administrative position. The department shall convene a work group, chaired by the current chair of the economic development commission, of representatives of associate development organizations and the economic development commission to recommend: (1) Changes to the economic development commission's purpose and source and amount of funding; (2) objective benchmarks and outcome-based performance measures for evaluating state investments in economic development; (3) high priority regulatory reforms to foster a favorable business climate for long-term private sector job creation and competitiveness; and (4) organizational roles responsibilities and structures to strengthen cohesive planning, streamline execution, and improve outcomes. The work group shall be comprised of representatives from no less than eight associate development organizations representing both urban and rural counties and counties on both sides of the Cascade range. The department shall submit a report of the work group's recommendation to the fiscal and economic development policy committees of the legislature by December 15, 2013.

(19) (~~(\$4,000,000)~~) \$2,515,000 of the general fund--state appropriation for fiscal year 2014 and (~~(\$850,000)~~) \$3,779,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for purposes of creating and operating a community health care and education and innovation center at the Pacific Medical Center in Seattle. Amounts provided in this subsection must be used for lease, maintenance, operations, and other required related expenses for Seattle community colleges allied health programs and other related uses identified by the department of commerce. The department is authorized to enter into a thirty-year lease for the Pacific Medical Center property.

(20) Within the appropriations in this section, the department shall, by December 1, 2013, develop a comprehensive start-up Washington strategy to facilitate the growth of start-ups and enhance the state's competitiveness in recruiting and retaining businesses that start up in Washington. This shall include but is not limited to: Business and occupation tax relief, capital investment, regulatory burdens, workforce and infrastructure needs and support. Start-up businesses interactions with state government and other public entities as a customer shall also be considered.

(21) \$700,000 of the general fund--state appropriation for fiscal year 2014 and \$700,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the department to identify and invest in strategic growth areas, support key sectors, and align existing economic development programs and priorities. The department must consider Washington's position as the most trade dependent state when identifying priority investments. The department must engage states and provinces in the northwest as well as associate development organizations, small business development centers, chambers of commerce, ports, and other partners to leverage the funds provided. For each dollar expended the department must receive a one hundred percent match. The match may be provided by the department through nongeneral fund sources, or any partnering governments or organizations. Sector leads established by the department must include the industries of: (a) Tourism; (b) agriculture, wood products, and other natural resource industries; and (c) clean technology and renewable and nonrenewable energy. The department may establish these sector leads by hiring new staff, expanding the duties of current staff, or working with partner organizations and or other agencies to serve in the role of sector lead. The department must develop performance metrics and milestones. The department must electronically submit the performance metrics and performance-to-date by January 1, 2014, to the economic development committees of the legislature.

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

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

(24) \$25,000 of the general fund--state appropriation for fiscal year 2014 and \$25,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the economic impact and infrastructure cost study for Covington town center.

(25) The department is directed to work with innovation partnership zone administrators to review the existing grant program, including the criteria for designation as an innovation partnership zone and the grant funding criteria. The department shall submit its report to the legislature by December 1, 2013.

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

(27) \$306,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the long-term care ombuds program to improve ombuds access to long-term care residents in community-based settings such as adult family homes and assisted living facilities.

(28) \$26,000 of the home security fund--state appropriation is provided solely for the department to establish a pilot program to provide a certification of homeless status for persons who may need a physical or mailing address for purposes of employment. The department must choose one county within which to implement the program, based on the support of local homeless housing and service providers, community leaders, and businesses willing to partner with the department. The department must establish a homeless status form that requires sufficient information to verify a person's homeless status and to provide the address and location of a homeless housing or service provider to be used as the person's own address. The department must develop a procedure for collecting and maintaining the information provided on the homeless status forms and convene regular meetings with homeless housing and service providers, community leaders, homeless persons, and businesses interested in implementing the program. The department must submit a report to the appropriate legislative committees that includes the number of persons who filed a homeless status form, the number of persons who obtained employment with use of the certification, the involvement of partners within the community in implementing the program, and an evaluation and recommendation of the opportunities and impediments for expanding the program statewide. The evaluation and recommendation should include input from statewide homeless housing and service provider networks and business associations.

(29) \$466,000 of the Washington housing trust account--state appropriation is provided solely for the department to provide one-time funding to the Tacoma housing authority to offset expenses associated with remediating units of low-income housing that have been contaminated by the manufacture or use of methamphetamine. The Tacoma housing authority must provide sufficient documentation to verify the costs associated with remediating units of low-income housing that have been contaminated by the manufacture or use of methamphetamine for which they request support. The department may make full or partial payment once sufficient documentation has been provided.

(30) Within existing resources, the department must conduct a data-based evaluation of the effectiveness of the department's international trade services. The report must include comparative data from other states and detail the possible advantages and disadvantages of contracting these services to a nonstate entity. The department must present its findings to the economic development committees of the legislature no later than January 15, 2015.

Sec. 128. 2013 2nd sp.s. c 4 s 129 (uncodified) is amended to read as follows:

FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund--State Appropriation (FY 2014)	(\$764,000)	\$758,000
General Fund--State Appropriation (FY 2015)	(\$802,000)	\$805,000
Lottery Administrative Account--State Appropriation		\$50,000
TOTAL APPROPRIATION	(\$1,616,000)	\$1,613,000

Sec. 129. 2013 2nd sp.s. c 4 s 130 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund--State Appropriation (FY 2014)	(\$18,414,000)	\$17,942,000
General Fund--State Appropriation (FY 2015)	(\$17,542,000)	\$17,539,000
General Fund--Federal Appropriation	(\$31,340,000)	\$34,336,000
General Fund--Private/Local Appropriation		\$370,000

Economic Development Strategic Reserve Account—		
State Appropriation	(\$289,000)	<u>\$288,000</u>
Personnel Service Fund--State Appropriation	(\$8,656,000)	<u>\$8,592,000</u>
Data Processing Revolving Account—		
State Appropriation	(\$6,015,000)	<u>\$6,552,000</u>
Higher Education Personnel Services Account—		
State Appropriation		\$1,497,000
Performance Audits of Government Account—		
State Appropriation		\$4,000,000
TOTAL APPROPRIATION	(\$88,123,000)	<u>\$91,116,000</u>

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

(1) The office of financial management shall prepare a report outlining alternative methods of procuring health benefits for home care workers, including individual providers and agency providers. In preparing the report, the office of financial management shall consult with the department of social and health services, representatives of individual home care providers, and agency home care providers.

Along with a summary of the current method of providing benefits, the report must include an analysis of the policy and fiscal implications of accessing health benefits through the Washington health benefits exchange. The report must also provide an analysis of a medicaid section 1115 waiver with the federal centers for medicare and medicaid services that would provide additional medicaid matching funds for individual provider home care workers who are provided with health care benefits through a collective bargaining agreement negotiated with the state under chapter 74.39A RCW, but would otherwise be eligible for medicaid under the federal expanded eligibility provisions that take effect January 1, 2014.

The report must be submitted to the appropriate fiscal committees of the legislature by January 6, 2014.

(2) \$350,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5802 (greenhouse gas emissions). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(3) \$536,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for a study of the state's medical and public assistance eligibility systems and infrastructure with the goal of simplifying procedures, improving customer service, and reducing state expenditures. The study must also examine which state entities play various roles in the eligibility and data verification processes in order to determine if eligibility processes can be further streamlined in light of changes related to the federal affordable care act. The study must identify how costs will be allocated between state and federal funding sources and options for maximizing federal participation. The office of financial management shall provide a report on its findings and recommendations to the relevant policy and fiscal committees of the legislature by January 1, 2014.

(4)(a) The legislature finds that the state's nationally recognized student achievement initiative has led to significant improvements at two-year institutions of higher education. With the goal of creating such efficiencies within the four-year institutions of higher education, the office of financial management shall convene, in coordination with the joint committee on higher education and the student achievement council, a technical incentive funding model task force to propose an incentive funding model for the four-year institutions of higher education. The model will provide new incentive funding to four-year institutions of higher education that demonstrate improvement on existing performance measures and control resident undergraduate tuition growth. Participation in the program is voluntary; however, funding appropriated for this program shall only be available to those institutions that have chosen to participate in the program.

(b) The task force must include the following members:

- (i) One representative from the student achievement council;
- (ii) One representative from the education data center created in RCW 43.41.400; and
- (iii) One representative from each of the four-year institutions of higher education.

(c) The program shall include, but shall not be limited to:

- (i) A system for allocating new incentive funding to participating institutions based on an institution's:
 - (A) Performance in specific metrics;
 - (B) Control and reduction where possible of resident undergraduate and graduate tuition; and
 - (C) Efficient utilization of classrooms, laboratories, and online and other high technology instructional methods;
- (ii) A methodology for allocating funding for performance as specified in (c)(i)(A) of this subsection that is based on performance metrics reported in the accountability monitoring and reporting system established in RCW 28B.77.090 and that recognizes each institution's unique mission by measuring each institution's performance in these metrics against its past performance;
- (iii) A methodology for investing any unallocated incentive funds to the state need grant program created in chapter 28B.92 RCW to expand access to low-income and underserved student populations; and
- (iv) A methodology for establishing a baseline level of state funding that:
 - (A) Fully supports the state's need for an increasing portion of its citizens to gain post-secondary education and qualifications;
 - (B) Recognizes the acute need of the state's high-technology economy for a sufficient number of graduates in high employer demand programs of study;
 - (C) Achieves a more equitable share of support between the state and students and their families; and
 - (D) Provides for funding enhancements based on demonstrated improvements in institutional performance within the educational achievement and tuition reduction incentive program.

(d) The workgroup shall submit a final report containing an incentive funding model to the governor and higher education and fiscal committees of the legislature by December 31, 2013.

(5) \$37,000 of the data processing revolving account--state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 2192 (state agency permitting). If the bill is not enacted by June 30, 2014, the amounts provided in this

subsection shall lapse.

(6) \$262,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the implementation of Substitute House Bill No. 2739 (student success in schools). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(7) Within amounts provided in this section, the office of the chief information officer must survey and review agency security policies and standards including, but not limited to (a) compliance with employee information technology security training policies; (b) agency standards and policies for decommissioning personal computers; and (c) the security plans of the provider one system and other health information technology systems within the health care authority and the department of social and health services to ensure compliance with federal health information portability and accountability act rules and the council for affordable quality healthcare committee on operating rules for information exchange. The office must report to the legislature by December 1, 2014, with findings and recommendations from the survey and review.

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

(9) \$300,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for an analysis of statewide jail needs and how operational costs are incurred among local governments. The analysis must examine, among other things, how regional capacity is currently being utilized at the state and local level including, but not limited to: Historical and current utilization, level of security, ability to provide medical and mental health care, and availability of programming. The analysis must examine the financial impact to counties of providing felon and juvenile detention. In addition, the analysis must include the identification of barriers and solutions for the use of local jails in lieu of prison beds including: For individuals who would otherwise be transferred to department of corrections for a short-term stay; for violator population billing and tracking; and for long-term stays in jail in lieu of prison. A report of findings and recommendations must be provided to the governor and legislative fiscal committees by November 1, 2014.

(10) \$46,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the education data center to:

(a) Collect and publish on its web site by October 1, 2014, short-term and long-term earnings and employment data for completers of higher education degrees, apprenticeships, and certificates awarded by institutions of higher education as defined in RCW 28B.10.016 for each institution;

(b) With the assistance of the legislative evaluation and accountability program committee, make publicly available on its web site a detailed inventory of the data that are contained in the data warehouse. The data center and its contributors shall continue to expand efforts to improve the integrity of the information and web site displays to maximize value and utility. The education data center shall also collaborate with the legislative evaluation and accountability program committee to broadly disseminate meaningful information on the publicly accessible web sites by expanding and increasing interactive web-based reporting; and

(c) In consultation with the state board for community and technical colleges, the workforce training and education coordinating board, representatives of the public four-year institutions of higher education, and the legislative evaluation and accountability program committee, prepare, or contract with an entity to prepare, an economic success metrics report of employment and earnings outcomes for degrees, apprenticeships, and certificates earned at institutions of higher education. The final report shall be published on the education data center web site and delivered to the governor and the higher education and fiscal committees of the legislature by November 1, 2014.

Sec. 130. 2013 2nd sp.s. c 4 s 131 (uncodified) is amended to read as follows:

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account—

State Appropriation	(\$37,772,000)	\$38,011,000
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The appropriation in this section is subject to the following conditions and limitations:

(1) \$151,000 of the administrative hearings revolving account--state appropriation is provided solely for replacement of computer equipment, including servers, routers, and storage system upgrades. The amount provided in this subsection is conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(2) \$137,000 of the administrative hearings revolving account--state appropriation is provided solely for replacement of a portion of the agency's personal computers. The amount provided in this subsection is conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) Within the amounts provided in this section, the office shall improve the timeliness of its hearings and report the progress of its efforts to the office of financial management and the fiscal committees of the legislature by November 1, 2014.

Sec. 131. 2013 2nd sp.s. c 4 s 132 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE LOTTERY

Lottery Administrative Account—

State Appropriation	(\$25,696,000)	\$25,607,000
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The appropriation in this section is subject to the following conditions and limitations:

(1) \$596,000 of the lottery administrative account--state appropriation is provided solely for the replacement of the lottery's gaming systems vendor contract.

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

Sec. 132. 2013 2nd sp.s. c 4 s 133 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund--State Appropriation (FY 2014)	(\$238,000)	\$235,000
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General Fund--State Appropriation (FY 2015)	(\$235,000)	\$238,000
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TOTAL APPROPRIATION \$473,000

Sec. 133. 2013 2nd sp.s. c 4 s 134 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2014)	(\$233,000)	<u>\$238,000</u>
General Fund--State Appropriation (FY 2015)	(\$224,000)	<u>\$233,000</u>
TOTAL APPROPRIATION	(\$457,000)	<u>\$471,000</u>

Sec. 134. 2013 2nd sp.s. c 4 s 135 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS

Department of Retirement Systems Expense

Account--State Appropriation	(\$50,728,000)	<u>\$50,599,000</u>
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The appropriation in this section is subject to the following conditions and limitations: \$57,000 of the department of retirement systems expense account--state appropriation is provided solely for the purposes of Senate Bill No. 6201 (optional life annuities for LEOFF 2 members). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

Sec. 135. 2013 2nd sp.s. c 4 s 136 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE

General Fund--State Appropriation (FY 2014)	(\$107,985,000)	<u>\$108,115,000</u>
General Fund--State Appropriation (FY 2015)	(\$106,301,000)	<u>\$105,511,000</u>
Timber Tax Distribution Account—		
State Appropriation	(\$6,102,000)	<u>\$6,083,000</u>
Waste Reduction/Recycling/Litter Control—		
State Appropriation	(\$132,000)	<u>\$131,000</u>
State Toxics Control Account—		
State Appropriation	(\$93,000)	<u>\$92,000</u>
(Master License Fund--State Appropriation	\$17,082,000)	
<u>Business License Account--State Appropriation</u>		<u>\$17,043,000</u>
Data Processing Revolving Account--State Appropriation		<u>\$6,751,000</u>
TOTAL APPROPRIATION	(\$244,446,000)	<u>\$243,726,000</u>

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

(1) The department of revenue is authorized to increase the master application fee to nineteen dollars and the renewal fee to eleven dollars consistent with RCW 19.02.075.

(2) \$6,751,000 of the data processing revolving account--state appropriation and \$4,853,000 of the master license fund--state appropriation are provided solely for the replacement of the department's legacy business systems. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) \$495,000 of the general fund--state appropriation for fiscal year 2014 and \$431,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the implementation of House Bill No. 1971 or Senate Bill No. 5873 (communications services reform). If neither bill is enacted by June 30, 2013, the amounts provided in the subsection shall lapse.

(4) \$641,000 of the general fund--state appropriation for fiscal year 2014 and \$297,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the implementation of Senate Bill No. 5882 or House Bill No. 2081 (tax preferences and transparency). If neither bill is enacted by June 30, 2013, the amounts provided in the subsection shall lapse.

(5) \$78,000 of the general fund--state appropriation for fiscal year 2014 and \$262,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of Substitute Senate Bill No. 5360 (unpaid wage collection). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(6) \$8,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for implementation of Second Engrossed Second Substitute House Bill No. 2493 (land use/horticulture). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(7) \$14,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for implementation of Engrossed Substitute House Bill No. 1287 (Indian tribes/property tax). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(8) \$25,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for implementation of Substitute House Bill No. 1634 (property tax levy limit). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(9) The department must consult with counties it determines to be directly affected by the United States open golf championship held in June 2015 in Washington state for the purpose of establishing metrics to estimate the additional state sales tax revenue attributable to that event. The department must report the additional state sales tax revenue attributable to the United States open golf championship to the fiscal committees of the legislature not later than December 1, 2015.

Sec. 136. 2013 2nd sp.s. c 4 s 137 (uncodified) is amended to read as follows:

FOR THE BOARD OF TAX APPEALS

General Fund--State Appropriation (FY 2014)	(\$1,217,000)	<u>\$1,203,000</u>
General Fund--State Appropriation (FY 2015)	(\$1,178,000)	<u>\$1,174,000</u>
TOTAL APPROPRIATION	(\$2,395,000)	<u>\$2,377,000</u>

Sec. 137. 2013 2nd sp.s. c 4 s 138 (uncodified) is amended to read as follows:

FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

OMWBE Enterprises Account--State Appropriation	(\$4,077,000)	<u>\$3,999,000</u>
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The appropriation in this section is subject to the following conditions and limitations: (~~(\$200,000 of the minority and women's business enterprises account--state appropriation is provided for implementation of a certification program for small business enterprises.)~~)
(1) The agency will collaborate with the department of transportation to certify small businesses as small business enterprises. Funding for this work is provided through interagency agreement with the state department of transportation.

(2) The agency must engage in the stakeholder process with the department of transportation, cities, counties, ports, transit agencies, and other entities that rely on the agency for federal certification as a small business enterprise, disadvantaged business enterprise, or airport concessionaire disadvantaged business enterprise to determine an equitable manner to fully recover from users the agency's costs for providing this statewide service. Cost to be reviewed include, but are not limited to, business outreach, certification application and renewal processing, investigations and audits, and appeals from denials and decertifications.

Sec. 138. 2013 2nd sp.s. c 4 s 139 (uncodified) is amended to read as follows:

FOR THE INSURANCE COMMISSIONER

General Fund--State Appropriation (FY 2014)		\$300,000
General Fund--State Appropriation (FY 2015)	(\$100,000)	<u>\$227,000</u>
General Fund--Federal Appropriation	(\$4,495,000)	<u>\$4,486,000</u>
Health Benefit Exchange Account--State Appropriation		\$676,000
Insurance Commissioners Regulatory Account--		
State Appropriation	(\$49,555,000)	<u>\$50,145,000</u>
TOTAL APPROPRIATION	(\$55,126,000)	<u>\$55,834,000</u>

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

(1) \$676,000 of the health benefit exchange account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1947 (Washington health benefit exchange). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(2) The office of the insurance commissioner shall not curtail functions relating to solvency, rates and forms, and consumer protection.

(3) \$498,000 of the insurance commissioners regulatory account--state appropriation is provided solely for the implementation of Substitute House Bill No. 2461 (insurance company solvency). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(4) Appropriations in this section, as previously appropriated by the legislature in section 144, chapter 564, Laws of 2009 for the implementation of chapter 298, Laws of 2009, are sufficient to implement Engrossed Substitute Senate Bill No. 6511 (prior authorization).

Sec. 139. 2013 2nd sp.s. c 4 s 140 (uncodified) is amended to read as follows:

FOR THE STATE INVESTMENT BOARD

State Investment Board Expense Account--State		
Appropriation	(\$36,035,000)	<u>\$35,967,000</u>

Sec. 140. 2013 2nd sp.s. c 4 s 141 (uncodified) is amended to read as follows:

FOR THE LIQUOR CONTROL BOARD

Dedicated Marijuana Fund--State Appropriation		\$8,136,000
Liquor Revolving Account--State Appropriation	(\$65,146,000)	<u>\$57,268,000</u>
General Fund--Federal Appropriation		\$945,000
General Fund--Private/Local Appropriation		\$25,000
TOTAL APPROPRIATION	(\$66,116,000)	<u>\$66,374,000</u>

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

(1) ~~(\$2,494,000 of the liquor revolving account--state appropriation is provided solely for the liquor control board to implement Initiative Measure No. 502.~~

~~(2))~~(a) The liquor control board must work with the department of health and the department of revenue to develop recommendations for the legislature regarding the interaction of medical marijuana regulations and the provisions of Initiative Measure No. 502. At a minimum, the recommendations must include provisions addressing the following:

- (i) Age limits;
- (ii) Authorizing requirements for medical marijuana;
- (iii) Regulations regarding health care professionals;
- (iv) Collective gardens;
- (v) Possession amounts;
- (vi) Location requirements;
- (vii) Requirements for medical marijuana producing, processing, and retail licensing;
- (viii) Taxation of medical marijuana in relation to recreational marijuana; and
- (ix) The state agency that should be the regulatory body for medical cannabis.

(b) The board must submit its recommendations to the appropriate committees of the legislature by January 1, 2014.

(2) For the purposes of RCW 43.88.110(7), any initial cash deficit in the dedicated marijuana fund must be liquidated over the remainder of the 2013-2015 fiscal biennium.

(3) \$786,000 of the dedicated marijuana fund--state appropriation is provided solely for implementation of Engrossed Third Substitute Senate Bill No. 5887 (medical and recreational marijuana). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

Sec. 141. 2013 2nd sp.s. c 4 s 142 (uncodified) is amended to read as follows:

FOR THE UTILITIES AND TRANSPORTATION COMMISSION

General Fund--Federal Appropriation	\$150,000	
General Fund--Private/Local Appropriation	(\$11,228,000)	<u>\$11,217,000</u>
Public Service Revolving Account—		
State Appropriation	(\$29,893,000)	<u>\$29,850,000</u>
Pipeline Safety Account--State Appropriation	(\$4,411,000)	<u>\$4,407,000</u>
Pipeline Safety Account--Federal Appropriation	(\$1,938,000)	<u>\$1,929,000</u>
TOTAL APPROPRIATION	(\$47,620,000)	<u>\$47,553,000</u>

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

(1) The commission shall work with the Idaho public utilities commission and the public utility commission of Oregon to identify common regulatory functions that can be performed jointly, with the goal of formalizing an agreement that protects essential services while increasing regulatory effectiveness and efficiencies through economies of scale. The commission is authorized to enter into an agreement with such other state public utility commissions to work jointly in administering specified respective regulatory functions.

(2) Up to \$200,000 of the total appropriation is provided for the commission to continue to evaluate the regulatory processes for energy companies and identify and implement administrative actions to improve those processes. The commission shall develop and adopt a schedule for such administrative actions.

Sec. 142. 2013 2nd sp.s. c 4 s 143 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 2014)	(\$1,880,000)	<u>\$1,833,000</u>
General Fund--State Appropriation (FY 2015)	(\$1,846,000)	<u>\$1,640,000</u>
General Fund--Federal Appropriation	(\$140,135,000)	<u>\$140,024,000</u>
Enhanced 911 Account--State Appropriation	(\$58,514,000)	<u>\$58,392,000</u>
Disaster Response Account--State Appropriation	(\$14,531,000)	<u>\$20,223,000</u>
Disaster Response Account--Federal Appropriation	(\$53,253,000)	<u>\$69,625,000</u>
Military Department Rent and Lease Account—		
State Appropriation		\$615,000
Worker and Community Right-to-Know Account—		
State Appropriation	(\$2,794,000)	<u>\$3,180,000</u>
TOTAL APPROPRIATION	(\$273,568,000)	<u>\$295,532,000</u>

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

(1) ~~(\$14,531,000)~~ \$20,223,000 of the disaster response account--state appropriation and ~~(\$53,253,000)~~ \$69,625,000 of the disaster response account--federal appropriation may be spent only on disasters declared by the governor and with the approval of the office of financial management. The military department shall submit a report to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2014-2015 biennium based on current revenue and expenditure patterns.

(2) ~~(\$75,000,000)~~ \$60,000,000 of the general fund--federal appropriation is provided solely for homeland security, subject to the following conditions:

(a) Any communications equipment purchased by local jurisdictions or state agencies shall be consistent with standards set by the Washington state interoperability executive committee; and

(b) The department shall submit an annual report to the office of financial management and the legislative fiscal committees detailing the governor's domestic security advisory group recommendations; homeland security revenues and expenditures, including estimates of total federal funding for the state; and incremental changes from the previous estimate.

(3) \$388,000 of the worker and community right-to-know account--state appropriation is provided solely for the department's equipment replacement plan. Prior to using appropriated funds for the purchase of server or other related equipment, the department shall create a plan, in consultation with consolidated technology services and the office of the chief information officer, to migrate the department's existing data center to the state data center located in the 1500 Jefferson building and use services provided by consolidated technology services instead of purchasing new servers or other related equipment. If the department has specific service or performance requirements for locating servers outside the state data center, the agency will submit a waiver request to the office of the chief information officer as required in RCW 43.41A.150.

Sec. 143. 2013 2nd sp.s. c 4 s 144 (uncodified) is amended to read as follows:

FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund--State Appropriation (FY 2014)	(\$1,977,000)	<u>\$1,993,000</u>
General Fund--State Appropriation (FY 2015)	(\$2,036,000)	<u>\$2,058,000</u>
Higher Education Personnel Services Account—		
State Appropriation		\$521,000
Personnel Service Account--State Appropriation	(\$3,300,000)	\$3,319,000
TOTAL APPROPRIATION	(\$7,834,000)	\$7,891,000

Sec. 144. 2013 2nd sp.s. c 4 s 145 (uncodified) is amended to read as follows:

FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account—		
State Appropriation	(\$2,699,000)	\$2,680,000

Sec. 145. 2013 2nd sp.s. c 4 s 147 (uncodified) is amended to read as follows:

FOR THE HORSE RACING COMMISSION

Horse Racing Commission Operating Account—

State Appropriation ((~~\$3,552,000~~)) \$3,436,000

The appropriation in this section is subject to the following conditions and limitations: Pursuant to RCW 43.135.055, the commission is authorized to increase licensing fees by up to five percent in fiscal year 2014 and up to five percent in fiscal year 2015; and background check fees by up to one dollar in fiscal year 2014, and up to one dollar in fiscal year 2015.

Sec. 146. 2013 2nd sp.s. c 4 s 148 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

General Fund--State Appropriation (FY 2014)	((3,654,000))	\$3,661,000
General Fund--State Appropriation (FY 2015)	((3,628,000))	\$5,863,000
Building Code Council Account—		
State Appropriation	((1,227,000))	\$1,223,000
Data Processing Revolving Account—		
State Appropriation		\$7,062,000
Enterprise Services Account--State Appropriation		\$2,400,000
TOTAL APPROPRIATION	((8,509,000))	\$20,209,000

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

(1) \$3,287,000 of the general fund--state appropriation for fiscal year 2014 and \$3,286,000 of the general fund--state appropriation for fiscal year 2015 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, and joint legislative systems committee. 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 2014 and 2015 as necessary to meet the actual costs of conducting business.

(3) The building code council account appropriation is provided solely for the operation of the state building code council as required by statute and modified by the standards established by executive order 10-06. The council shall not consider any proposed code amendment or take any other action not authorized by statute or in compliance with the standards established in executive order 10-06. No member of the council may receive compensation, per diem, or reimbursement for activities other than physical attendance at those meetings of the state building code council or the council's designated committees, at which the opportunity for public comment is provided generally and on all agenda items upon which the council proposes to take action. The building code council shall comply with chapter 19.85 RCW, known as the regulatory fairness act, by including with all proposed substantial code amendments an analysis addressing cost effectiveness, net benefits, payback periods, and life-cycle costs.

~~((5))~~ (4) The department of enterprise services shall purchase flags needed for ceremonial occasions on the capitol campus in order to fully represent the countries that have an international consulate in Washington state.

~~((6))~~ (5) 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.

~~((7))~~ (6) \$2,400,000 of the ~~((data processing revolving account))~~ enterprise services account--state appropriation is provided solely for the implementation of a pilot program to implement a strategy and action plan to modernize the state's enterprise financial and administrative systems. The department, the office of financial management, and the office of the chief information officer, will lead the planning effort and establish advisory committees composed of key stakeholders. The plan will include an assessment of the readiness of state government to conduct a business transformation and system replacement project of this scale. The plan shall incorporate the objectives of lean management and should include recommendations on: Project scope, phasing and timeline, expected outcomes and measures of success, product strategy, budget and financing strategy options, risk mitigation, staffing and organization, and strategies to close readiness gaps. The department shall submit the implementation plan to the fiscal committees of the legislature by December 15, ~~((2013))~~ 2014.

The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

~~((8)) \$8,013,000~~ (7) \$7,062,000 of the data processing revolving account--state appropriation is provided solely for the implementation of a pilot program to implement a time, leave, and attendance enterprise system. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

~~((9))~~ (8) 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 \$2,039,000 in fiscal year 2014 and \$2,038,000 in fiscal year 2015.

~~((10))~~ (9) The legislature intends to review for purchase parcel number one and surrounding property on McNeil Island. The department shall coordinate with the federal government to obtain an appraisal determining the fair market value and shall provide an estimate to the legislative fiscal committees by October 1, 2013.

(10) Appropriations to state agencies in this act have been reduced to reflect the following changes and reductions in services provided by the department. The department shall revise its central services rates charged to state agencies to implement these changes in services and policy: Small agency client services shall be transferred to the office of financial management on July 1, 2014; small agency human resources services shall cease on July 1, 2014; and costs for the print and imaging program shall be fully recovered through rates charged to state agencies and other government and nonprofit entities for this service.

(11) On a one-time basis, \$2,250,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for incremental costs to facilitate the purchasing of electricity for use in state government operations from in-state alternative power sources

consisting of high-efficiency cogeneration from woody biomass that is at least sixty-five percent energy efficient based upon low heat value, coal transition power, and solar energy facilities. This funding shall be provided on a temporary basis to assist state agencies to make purchases from in-state alternative power sources. The department may solicit proposals from local electric utilities that currently serve state operations.

Sec. 147. 2013 2nd sp.s. c 4 s 149 (uncodified) is amended to read as follows:

FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS

Volunteer Firefighters' and Reserve Officers' Administrative Account—

State Appropriation	(\$1,044,000)	\$959,000
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Sec. 148. 2013 2nd sp.s. c 4 s 150 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

General Fund--State Appropriation (FY 2014)	(\$1,293,000)	\$1,271,000
General Fund--State Appropriation (FY 2015)	(\$1,242,000)	\$1,258,000
General Fund--Federal Appropriation	(\$1,950,000)	\$1,944,000
General Fund--Private/Local Appropriation		\$14,000
TOTAL APPROPRIATION	(\$4,499,000)	\$4,487,000

(End of part)

**PART II
HUMAN SERVICES**

Sec. 201. 2013 2nd sp.s. c 4 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)(a) The health care authority and the department are authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage medicaid expenditures for the aged and disabled population. Under the Washington medicaid integration partnership (WMIP) and the medicare integrated care project (MICP), the health care authority and the department may combine and transfer such medicaid funds appropriated under sections 204, 206, 208, and 213 of this act as may be necessary to finance a unified health care plan for the WMIP and the MICP program enrollment. The WMIP pilot projects shall not exceed a daily enrollment of 6,000 persons, nor expand beyond one county during the 2013-2015 fiscal biennium. The amount of funding assigned from each program may not exceed the average per capita cost assumed in this act for individuals covered by that program, actuarially adjusted for the health condition of persons enrolled, times the number of clients enrolled. In implementing the WMIP and the MICP, the health care authority and the department may: (i) Withhold from calculations of "available resources" as set forth in RCW 71.24.025 a sum equal to the capitated rate for enrolled individuals; and (ii) employ capitation financing and risk-sharing arrangements in collaboration with health care service contractors licensed by the office of the insurance commissioner and qualified to participate in both the medicaid and medicare programs.

(b) If Washington has been selected to participate in phase two of the federal demonstration project for persons dually-eligible for both medicare and medicaid, the department and the authority may initiate the MICP. Participation in the project shall be limited to persons who are eligible for both medicare and medicaid and to counties in which the county legislative authority has agreed to the terms and conditions under which it will operate. The purpose of the project shall be to demonstrate and evaluate ways to improve care while reducing state expenditures for persons enrolled both in medicare and medicaid. To that end, prior to initiating the project, the department and the authority shall assure that state expenditures shall be no greater on either a per person or total basis than the state would otherwise incur. Individuals who are solely eligible for medicaid may also participate if their participation is agreed to by the health care authority, the department, and the county legislative authority.

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

(5) The department shall to the maximum extent practicable use the same system for delivery of spoken-language interpreter services for social services appointments as the one established for medical appointments in section 213 of this act. When contracting directly with an individual to deliver spoken language interpreter services, the department shall only contract with language access providers who are working at a location in the state and who are state-certified or state-authorized, except that when such a provider is not available, the department may use a language access provider who meets other certifications or standards deemed to meet state standards, including interpreters in other states.

(6) The department shall facilitate enrollment under the medicaid expansion for clients applying for or receiving state funded services from the department and its contractors. Prior to open enrollment, the department shall coordinate with the health care authority to

provide referrals to the Washington health benefit exchange for clients that will be ineligible for the medicaid expansion but are enrolled in coverage that will be eliminated in the transition to the medicaid expansion.

(7)(a) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. However, after May 1, 2014, unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2014 among programs after approval by the director of financial management. However, the department shall not transfer state moneys that are provided solely for a specified purpose except as expressly provided in (b) of this subsection.

(b) To the extent that transfers under (a) of this subsection are insufficient to fund actual expenditures in excess of fiscal year 2014 caseload forecasts and utilization assumptions in the long-term care, foster care, adoptions support, medicaid personal care, and child support programs, the department may transfer state moneys that are provided solely for a specified purpose. The department shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

Sec. 202. 2013 2nd sp.s. c 4 s 202 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY SERVICES PROGRAM

General Fund--State Appropriation (FY 2014)	((296,676,000))	\$297,837,000
General Fund--State Appropriation (FY 2015)	((297,641,000))	\$298,132,000
General Fund--Federal Appropriation	((489,939,000))	\$495,189,000
General Fund--Private/Local Appropriation		\$1,354,000
Home Security Fund Account--State Appropriation		\$10,741,000
Domestic Violence Prevention Account—		
State Appropriation		\$1,240,000
Child and Family Reinvestment Account—		
State Appropriation	((6,491,000))	\$2,647,000
TOTAL APPROPRIATION	((1,104,082,000))	\$1,107,140,000

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

(1) Within amounts provided for the foster care and adoption support programs, the department shall control reimbursement decisions for foster care and adoption support cases such that the aggregate average cost per case for foster care and for adoption support does not exceed the amounts assumed in the projected caseload expenditures.

(2) \$668,000 of the general fund--state appropriation for fiscal year 2014 and \$668,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to contract for the operation of one pediatric interim care center. The center shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the center must be in need of special care as a result of substance abuse by their mothers. The center shall also provide on-site training to biological, adoptive, or foster parents. The center shall provide at least three months of consultation and support to the parents accepting placement of children from the center. The center may recruit new and current foster and adoptive parents for infants served by the center. The department shall not require case management as a condition of the contract.

(3) \$538,500 of the general fund--state appropriation for fiscal year 2014, \$539,500 of the general fund--state appropriation for fiscal year 2015, \$656,000 of the general fund--private/local appropriation, and \$253,000 of the general fund--federal appropriation are provided solely for children's administration to contract with an educational advocacy provider with expertise in foster care educational outreach. The amounts in this subsection are provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems and to assure a focus on education during the transition to performance based contracts. Funding shall be prioritized to regions with high numbers of foster care youth and/or regions where backlogs of youth that have formerly requested educational outreach services exist. The department shall utilize private matching funds to maintain educational advocacy services.

(4) \$10,741,000 of the home security fund--state appropriation is provided solely for the department to contract for services pursuant to RCW 13.32A.030 and 74.15.220. The department shall contract and collaborate with service providers in a manner that maintains the availability and geographic representation of secure and semi-secure crisis residential centers and HOPE centers. To achieve efficiencies and increase utilization, the department shall allow the co-location of these centers, except that a youth may not be placed in a secure facility or the secure portion of a co-located facility except as specifically authorized by chapter 13.32A RCW. The reductions to appropriations in this subsection related to semi-secure crisis residential centers reflect a reduction to the number of beds for semi-secure crisis residential centers and not a reduction in rates. Any secure crisis residential center or semi-secure crisis residential center bed reduction shall not be based solely upon bed utilization. The department is to exercise its discretion in reducing the number of beds but to do so in a manner that maintains availability and geographic representation of semi-secure and secure crisis residential centers.

(5) \$125,000 of the general fund--state appropriation for fiscal year 2014 and \$125,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a community-based organization that has innovated, developed, and replicated a foster care delivery model that includes a licensed hub home. The community-based organization will provide training and technical assistance to the children's administration to develop five hub home models in region 2 that will improve child outcomes, support foster parents, and encourage the least restrictive community placements for children.

(6) \$73,000 of the general fund--state appropriation for fiscal year 2014, \$20,000 of the general fund--state appropriation for fiscal year 2015, and \$31,000 of the general fund--federal appropriation are provided solely for implementation of Second Substitute House Bill No. 1566 (youth in out-of-home care). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(7) \$88,000 of the general fund--state appropriation for fiscal year 2014, \$2,000 of the general fund--state appropriation for fiscal year 2015, and \$28,000 of the general fund--federal appropriation are provided solely for implementation of Engrossed Substitute House Bill No. 1774 (child welfare system). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(8) \$1,698,000 of the general fund--state appropriation for fiscal year 2014, \$2,788,000 of the general fund--state appropriation for fiscal year 2015, and \$1,894,000 of the general fund--federal appropriation are provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5405 (extended foster care). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(9) \$579,000 of the general fund--state appropriation for fiscal year 2014, \$579,000 of the general fund--state appropriation for fiscal year 2015, and \$109,000 of the general fund--federal appropriation are provided solely for a receiving care center east of the Cascade mountains.

(10)(a) \$446,000 of the general fund--state appropriation for fiscal year 2014 and \$446,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a contract with a nongovernmental entity or entities to establish one demonstration site in a school district or group of school districts in western Washington.

(b) The children's administration and the nongovernmental entity or entities shall collaboratively select the demonstration site. The demonstration site should be a school district or group of school districts with a significant number of students who are dependent pursuant to chapter 13.34 RCW.

(c) The demonstration site established under this subsection must be selected by September 1, 2013.

(d) The purpose of the demonstration site is to improve the educational outcomes of students who are dependent pursuant to chapter 13.34 RCW by providing individualized education services and monitoring and supporting dependent youths' completion of educational milestones, remediation needs, and special education needs.

(e) The demonstration site established under this subsection must facilitate the educational progress and graduation of dependent youth. The contract must be performance-based with a stated goal of improving the graduation rates of foster youth by two percent per year over five school year periods, starting with the 2014-15 school year and ending with the 2019-20 school year. The demonstration site must develop and provide services aimed at improving the educational outcomes of foster youth. These services must include:

(i) Direct advocacy for foster youth to eliminate barriers to educational access and success;

(ii) Consultation with department of social and health services case workers to develop educational plans for and with participating youth;

(iii) Monitoring education progress of participating youth;

(iv) Providing participating youth with school and local resources that may assist in educational access and success; and

(v) Coaching youth, caregivers, and social workers to advocate for dependent youth in the educational system.

(f) The contracted nongovernmental entity or entities must report demonstration site outcomes to the department of social and health services and the office of public instruction by June 30, 2014, for the 2013-14 school year, and by June 30, 2015, for the 2014-15 school year.

(g) The children's administration must proactively refer all students fifteen years or older, within the demonstration site area, to the selected nongovernmental entity for educational services.

(h) The children's administration must report quarterly to the legislature on the number of eligible youth and number of youth referred for services beginning at the close of the second quarter of fiscal year 2014 and through the final quarter of fiscal year 2015.

(i) The contracted nongovernmental entity or entities shall report to the legislature by June 30, 2015, on the effectiveness of the demonstration site in increasing graduation rates for dependent youth.

(11) \$50,000 of the general fund--state appropriation for fiscal year 2014, and \$50,000 of the general fund--state appropriation for fiscal year 2015, and \$256,000 of the general fund--federal appropriation are provided solely for implementation of Substitute Senate Bill No. 5315 (Powell fatality team). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(12) \$670,000 of the general fund--state appropriation for fiscal year 2014 and \$670,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for services provided through children's advocacy centers.

(13)(a) \$22,695,000 of the general fund--state appropriation for fiscal year 2014, \$22,695,000 of the general fund--state appropriation for fiscal year 2015, and \$28,450,000 of the general fund--federal appropriation are provided solely for services for children and families. Prior to approval of contract services pursuant to RCW 74.13B.020, the amounts provided in this section shall be allotted on a monthly basis and expenditures shall not exceed allotments based on a three-month rolling average without approval of the office of financial management following notification to the legislative fiscal committees.

(b) The department shall provide these services to safely reduce the number of children in out-of-home care, the time spent in out-of-home care prior to achieving permanency, and the number of children returning to out-of-home care following permanency.

(14) ~~\$494,000 of the general fund--state appropriation for fiscal year 2014, ((\$1,783,000)) \$6,332,000 of the general fund--state appropriation for fiscal year 2015, ((\$6,491,000)) \$2,647,000 of the child and family reinvestment account--state appropriation, and ((\$8,274,000)) \$9,474,000 of the general fund--federal appropriation, are provided solely for the implementation and operations of the family assessment response program.~~

(15) \$35,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for a rate add-on paid to residential facilities providing behavioral rehabilitation service placements to children or youth who have been assessed as needing mental health services through the mental health division's children's long-term inpatient program and are waiting for an available placement. In no case shall the department decrease any rates paid to such residential facilities as a result of this subsection.

(16) \$329,000 of the general fund--state appropriation for fiscal year 2015 and \$48,000 of the general fund--federal appropriation are provided solely for a tiered reimbursement pilot project for family home and center child care providers who participate in the early achievers quality and improvement system. The tiered reimbursement rates shall be consistent with those established by the department of early learning.

(17) \$150,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for training, technical assistance, and fidelity oversight for an open source parenting program developed by a university-based child welfare research entity. Expenditure of the amount provided in this subsection is contingent upon the availability of private or local funds necessary for the research entity to develop the open source parenting curriculum. The children's administration must make the open source parenting program available to parents with an open child welfare case beginning January 1, 2015.

(18) Effective January 2015, in addition to the youth eligible for extended foster care services under RCW 13.34.267 and

74.13.031, the department is authorized to provide extended foster care services to nonminor dependents who are engaged in employment for eighty hours or more per month. \$83,000 of the general fund--state appropriation for fiscal year 2015 and \$23,000 of the general fund--federal appropriation are provided solely for such services.

Sec. 203. 2013 2nd sp.s. c 4 s 203 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE REHABILITATION PROGRAM

General Fund--State Appropriation (FY 2014)	(\$89,967,000)	<u>\$89,505,000</u>
General Fund--State Appropriation (FY 2015)	(\$90,255,000)	<u>\$88,778,000</u>
General Fund--Federal Appropriation		\$3,464,000
General Fund--Private/Local Appropriation	(\$1,981,000)	<u>\$1,978,000</u>
Washington Auto Theft Prevention Authority Account--		
State Appropriation		\$196,000
Reinvesting in Youth--State Appropriation		\$383,000
Juvenile Accountability Incentive Account—		
Federal Appropriation		\$2,801,000
TOTAL APPROPRIATION	(\$189,047,000)	<u>\$187,105,000</u>

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

(1) \$331,000 of the general fund--state appropriation for fiscal year 2014 and \$331,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

(2) \$2,716,000 of the general fund--state appropriation for fiscal year 2014 and \$2,716,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

(3) \$3,482,000 of the general fund--state appropriation for fiscal year 2014 and \$3,482,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

(4) \$1,130,000 of the general fund--state appropriation for fiscal year 2014 and \$1,130,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

(5) \$3,123,000 of the general fund--state appropriation for fiscal year 2014 and \$3,123,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for grants to county juvenile courts for the following programs identified by the Washington state institute for public policy (institute) in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Functional family therapy, multi-systemic therapy, aggression replacement training and interagency coordination programs, or other programs with a positive benefit-cost finding in the institute's report. County juvenile courts shall apply to the juvenile rehabilitation administration for funding for program-specific participation and the administration shall provide grants to the courts consistent with the per-participant treatment costs identified by the institute.

(6) \$1,537,000 of the general fund--state appropriation for fiscal year 2014 and \$1,537,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for expansion of the following treatments and therapies in juvenile rehabilitation administration programs identified by the Washington state institute for public policy in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Multidimensional treatment foster care, family integrated transitions, and aggression replacement training, or other programs with a positive benefit-cost finding in the institute's report. The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

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

(b) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee

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

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

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

(9) \$445,000 of the general fund--state appropriation for fiscal year 2014 and \$445,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for funding of the teamchild project.

(10) \$178,000 of the general fund--state appropriation for fiscal year 2014 and \$178,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the juvenile detention alternatives initiative.

(11) \$250,000 of the general fund--state appropriation for fiscal year 2014 and \$250,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a grant program focused on criminal street gang prevention and intervention. The Washington state partnership council on juvenile justice may award grants under this subsection. The council shall give priority to applicants who have demonstrated the greatest problems with criminal street gangs. Applicants composed of, at a minimum, one or more local governmental entities and one or more nonprofit, nongovernmental organizations that have a documented history of creating and administering effective criminal street gang prevention and intervention programs may apply for funding under this subsection.

(12) \$400,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for competitive grants to community-based organizations to provide at-risk youth intervention services, including but not limited to, case management, employment services, educational services, and street outreach intervention programs. Projects funded should focus on preventing, intervening, and suppressing behavioral problems and violence while linking at-risk youth to pro-social activities. The costs of administration may not exceed four percent of appropriated funding for each grant recipient. Each entity receiving funds must report to the juvenile rehabilitation administration on the number and types of youth served, the services provided, and the impact of those services upon the youth and the community.

Sec. 204. 2013 2nd sp.s. c 4 s 204 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH PROGRAM

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund--State Appropriation (FY 2014)	((327,467,000))	<u>\$328,527,000</u>
General Fund--State Appropriation (FY 2015)	((308,723,000))	<u>\$329,208,000</u>
General Fund--Federal Appropriation	((561,394,000))	<u>\$666,113,000</u>
General Fund--Private/Local Appropriation		\$17,864,000
TOTAL APPROPRIATION	((1,215,448,000))	<u>\$1,341,712,000</u>

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

(a) \$104,999,000 of the general fund--state appropriation for fiscal year 2014 and ~~((85,895,000))~~ \$88,895,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for persons and services not covered by the medicaid program. To the extent possible, levels of regional support network spending shall be maintained in the following priority order: Crisis and commitment services; community inpatient services; and residential care services, including personal care and emergency housing assistance. This is a reduction in flexible nonmedicaid funding of \$4,343,000 for fiscal year 2014 and ~~((23,446,000))~~ \$20,446,000 for fiscal year 2015. This reduction reflects offsets in state funding related to services that will now be funded with federal dollars through the affordable care act medicaid expansion. This reduction shall be distributed as follows:

(i) The \$4,343,000 reduction in fiscal year 2014 and ~~((11,723,000))~~ \$10,223,000 of the reduction in fiscal year 2015 must be distributed among regional support networks based on a formula that equally weights each regional support networks proportion of

individuals who become newly eligible and enroll in medicaid under the expansion provisions of the affordable care act in fiscal year 2014 and each regional support network's spending of flexible nonmedicaid funding on services that would be reimbursable for federal medicaid matching funds if provided to medicaid enrollees in the 2011-2013 fiscal biennium.

(ii) The remaining (~~(\$11,723,000)~~) \$10,223,000 reduction in fiscal year 2015 must be distributed among regional support networks based on each regional support network's proportion of individuals who become newly eligible and enroll in medicaid under the expansion provisions of the affordable care act through fiscal year 2015.

(b) \$6,590,000 of the general fund--state appropriation for fiscal year 2014, \$6,590,000 of the general fund--state appropriation for fiscal year 2015, and \$7,620,000 of the general fund--federal appropriation are provided solely for the department and regional support networks to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to regional support networks with PACT teams, the department shall consider the differences between regional support networks in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The department may allow regional support networks which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under section 204(1)(a) of this act. The department and regional support networks shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

(c) \$5,850,000 of the general fund--state appropriation for fiscal year 2014, \$5,850,000 of the general fund--state appropriation for fiscal year 2015, and \$1,300,000 of the general fund--federal appropriation are provided solely for the western Washington regional support networks to provide either community- or hospital campus-based services for persons who require the level of care previously provided by the program for adaptive living skills (PALS) at western state hospital.

(d) The number of nonforensic beds allocated for use by regional support networks at eastern state hospital shall be 192 per day. The number of nonforensic beds allocated for use by regional support networks at western state hospital shall be 557 per day.

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

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

(g) \$750,000 of the general fund--state appropriation for fiscal year 2014 and \$750,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to continue performance-based incentive contracts to provide appropriate community support services for individuals with severe mental illness who were discharged from the state hospitals as part of the expanding community services initiative. These funds will be used to enhance community residential and support services provided by regional support networks through other state and federal funding.

(h) \$1,125,000 of the general fund--state appropriation for fiscal year 2014 and \$1,125,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Spokane regional support network to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

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

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

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

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

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

(i) \$1,529,000 of the general fund--state appropriation for fiscal year 2014 and \$1,529,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day commitment hearings at the state psychiatric hospitals.

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

(k) \$3,436,000 of the general fund--state appropriation for fiscal year 2014 and \$2,291,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement.

(l) \$523,000 of the general fund--state appropriation for fiscal year 2014, \$775,000 of the general fund--state appropriation for fiscal year 2015, and \$854,000 of the general fund--federal appropriation are provided solely for implementation of sections 3 through 5 of chapter 289, Laws of 2013 (E2SHB 1114). Regional support networks must use this funding for the development of intensive community programs that allow individuals to be diverted or transitioned from the state hospitals in accordance with plans approved by the department.

(m) \$5,986,000 of the general fund--state appropriation for fiscal year 2014, \$11,592,000 of the general fund--state appropriation for fiscal year 2015, and \$10,160,000 of the general fund--federal appropriation are provided solely for implementation of chapter 335, Laws of 2013 (ESSB 5480). Regional support networks must use this funding for the development of intensive community programs that allow individuals to be diverted or transitioned from the state hospitals in accordance with plans approved by the department.

(n) Due to recent approval of federal medicaid matching funds for the disability lifeline and the alcohol and drug abuse treatment support act programs, the department shall charge regional support networks for only the state share rather than the total cost of community psychiatric hospitalization for persons enrolled in those programs.

(o) The legislature finds that the circumstances of the Chelan-Douglas regional support network (CD-RSN) make it necessary for CD-RSN to undergo restructuring in order to provide mental health services essential to the health and wellness of the citizens within its service area. The legislature intends to provide additional temporary financial relief to the CD-RSN while it undergoes internal restructuring or negotiates a merger with another regional support network.

The department shall negotiate relief for outstanding fiscal year 2013 reimbursements owed by CD-RSN to the state provided that the CD-RSN has a plan in place that is approved by the department by August 1, 2013, that demonstrates how CD-RSN will maintain financial viability and stability or will merge with another regional support network.

For the period of July 1, 2013, through December 31, 2013, the department may alter collection of reimbursement from CD-RSN for overuse of state hospital beds. To receive a reduction to the required reimbursement for overuse of state hospital beds, CD-RSN must continue to prioritize services that reduce its utilization and census at eastern state hospital and be actively implementing an approved plan to maintain financial viability or pursuing a future merger with another regional support network. Up to \$298,000 of the general fund--state appropriation for fiscal year 2014 is for the department to provide payments to regional support networks in eastern Washington which have used less than their allocated or contracted patient days of care at the state hospital to replace the share of the reimbursements from CD-RSN that the regional support networks would have received under RCW 71.24.320.

(p) ~~\$266,000~~ of the general fund--state appropriation for fiscal year 2014 ~~(is)~~ and \$1,500,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to maintain services for the King county regional support network as it works to transition services to settings that are eligible for federal participation for individuals covered under the medicaid program.

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

(r) \$7,281,000 of the general fund--state appropriation for fiscal year 2015 and \$4,589,000 of the general fund--federal appropriation are provided solely for enhancement of community mental health services. The department must contract these funds for the operation of community programs in which the department determines there is a need for capacity that allows individuals to be diverted or transitioned from the state hospitals including but not limited to: (i) Community hospital or free standing evaluation and treatment services providing short-term detention and commitment services under the involuntary treatment act to be located in the geographic areas of the King regional support network, the Spokane regional support network outside of Spokane county, and the Thurston Mason regional support network; (ii) one new full program of an assertive community treatment team in the King regional support network and two new half programs of assertive community treatment teams in the Spokane regional support network and the Pierce regional support network; and (iii) three new recovery support services programs in the Grays Harbor regional support network, the greater Columbia regional support network, and the north sound regional support network. In contracting for community evaluation and treatment services, the department may not use these resources in facilities that meet the criteria to be classified under federal law as institutions for mental diseases. If the department is unable to come to a contract agreement with a designated regional support network for any of the services identified above, it may consider contracting for that service in another regional support network that has the need for such service.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2014)	(\$135,246,000)	<u>\$137,913,000</u>
General Fund--State Appropriation (FY 2015)	(\$131,863,000)	<u>\$130,754,000</u>
General Fund--Federal Appropriation	(\$150,863,000)	<u>\$158,952,000</u>
General Fund--Private/Local Appropriation	(\$63,097,000)	<u>\$58,844,000</u>
TOTAL APPROPRIATION	(\$481,069,000)	<u>\$486,463,000</u>

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

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

(b) \$231,000 of the general fund--state appropriation for fiscal year 2014 and \$231,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood.

(c) \$45,000 of the general fund--state appropriation for fiscal year 2014 and \$45,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

(d) \$20,000,000 of the general fund--state appropriation for fiscal year 2014 and \$20,000,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to maintain staffed capacity to serve an average daily census in forensic wards at western state hospital of 270 patients per day.

(e) ~~(\$2,068,000)~~ \$2,994,000 of the general fund--state appropriation for fiscal year 2014, ~~(\$2,066,000)~~ \$5,266,000 of the general fund--state appropriation for fiscal year 2015, and \$240,000 of the general fund--federal appropriation are provided solely for the state psychiatric hospitals to plan, procure, and implement the core elements of an electronic medical record system that is compliant with the international classification of diseases (ICD-10) by October 1, 2014. These funds must only be used for an electronic medical record system that meets federal criteria for electronic sharing of patient information and clinical care summaries with doctors' offices, hospitals, and health systems which use federally certified electronic health record systems. The procurement and implementation shall be conducted to allow for these services to be expanded to the department of corrections. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2014)	(\$1,609,000)	<u>\$1,612,000</u>
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General Fund--State Appropriation (FY 2015)	(\$1,610,000)	<u>\$452,000</u>
General Fund--Federal Appropriation		\$6,286,000
TOTAL APPROPRIATION	(\$9,505,000)	<u>\$8,350,000</u>

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

(a) \$1,161,000 of the general fund--state appropriation for fiscal year 2014 (~~and \$1,161,000 of the general fund--state appropriation for fiscal year 2015 are~~) is provided solely for children's evidence-based mental health services.

(b) \$446,000 of the general fund--state appropriation for fiscal year 2014, \$446,000 of the general fund--state appropriation for fiscal year 2015, and \$178,000 of the general fund--federal appropriation are provided solely for the University of Washington's evidence-based practice institute which supports the identification, evaluation, and implementation of evidence-based or promising practices. The institute must work with the department to develop a plan to seek private, federal, or other grant funding in order to reduce the need for state general funds. The institute and the department must submit this plan to the office of financial management and the fiscal committees of the legislature by December 1, 2013.

(4) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2014)	(\$5,287,000)	<u>\$5,807,000</u>
General Fund--State Appropriation (FY 2015)	(\$4,777,000)	<u>\$7,418,000</u>
General Fund--Federal Appropriation	(\$7,711,000)	<u>\$10,030,000</u>
General Fund--Private/Local Appropriation		\$502,000
TOTAL APPROPRIATION	(\$18,277,000)	<u>\$23,757,000</u>

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

(a) In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to adopt license and certification fees in fiscal years 2014 and 2015 to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower costs of licensing for these programs than for other organizations which are not accredited.

(b) \$74,000 of the general fund--state appropriation for fiscal year 2014, \$74,000 of the general fund--state appropriation for fiscal year 2015, and \$78,000 of the general fund--federal appropriation are provided solely for implementation of chapter 335, Laws of 2013 (ESSB 5480).

(c) \$160,000 of the general fund--state appropriation for fiscal year 2014 and \$80,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of chapter 284, Laws of 2013 (ESSB 5551).

(d) In developing the new medicaid managed care rates under which the public mental health managed care system will operate, the department must seek to estimate the reasonable and necessary cost of efficiently and effectively providing a comparable set of medically necessary mental health benefits to persons of different acuity levels regardless of where in the state they live. The department must report to the office of financial management and to the relevant fiscal and policy committees of the legislature on its proposed new mental health managed care rate-setting approach by August 1, 2013, and again at least sixty days prior to implementation of new capitation rates.

(e) \$349,000 of the general fund--state appropriation for fiscal year 2014, \$212,000 of the general fund--state appropriation for fiscal year 2015, and \$302,000 of the general fund--federal appropriation are provided solely to implement chapter 320, Laws of 2013 (ESHB 1519) and chapter 338, Laws of 2013 (2SSB 5732).

(f) The department shall work cooperatively with the health care authority to explore the feasibility of incentivizing small, rural hospitals to convert, in part or fully, some of their beds to psychiatric treatment beds. No later than December 31, 2014, the department shall report to the appropriate fiscal committees of the legislature on the feasibility of such conversion. The report shall consider rate enhancements and the ability to claim federal medicaid matching funds on converted beds.

(g) \$75,000 of the general fund--state appropriation for fiscal year 2014 and \$21,000 of the general fund--federal appropriation are provided for implementation of section 9, chapter 197, Laws of 2013 (ESHB 1336). The department must utilize these funds for mental health first aid training targeted at teachers and educational staff in accordance with the training model developed by the department of psychology in Melbourne, Australia.

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

(i) \$144,000 of the general fund--state appropriation for fiscal year 2014, \$466,000 of the general fund--state appropriation for fiscal year 2015, and \$687,000 of the general fund--federal appropriation are provided solely for the implementation of Engrossed Substitute Senate Bill No. 6312 (mental health, chemical dependency) and Engrossed Substitute House Bill No. 2315 (suicide prevention). If Substitute Senate Bill No. 6312 (mental health, chemical dependency) is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(j) \$120,000 of the general fund--state appropriation for fiscal year 2014, \$780,000 of the general fund--state appropriation for fiscal year 2015, and \$900,000 of the general fund--federal appropriation are provided solely for contracted actuarial services required for integrating treatment services into managed care contracts in accordance with Second Substitute Senate Bill No. 6312 (mental health, chemical dependency). This includes the development of integrated rates for mental health and chemical dependency services that can be used for contracts with behavioral health and recovery organizations effective April 1, 2016, and for integrated physical health and behavioral health contracts with early adopters. The department shall collaborate with the health care authority, the office of the state actuary, and legislative staff on the establishment of these rates. Contracts for these actuarial services must require the contractors to

provide information in response to questions from the health care authority, the office of the state actuary, and legislative staff. By November 1, 2014, the department shall provide a preliminary progress report on the rate setting process to the behavioral health task force established in chapter 338, Laws of 2013, and to the appropriate policy and fiscal committees of the legislature. The department shall provide an updated report to the same entities by June 30, 2015.

Sec. 205. 2013 2nd sp.s. c 4 s 205 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL DISABILITIES PROGRAM

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2014)	(\$439,963,000)	\$444,370,000
General Fund--State Appropriation (FY 2015)	(\$458,131,000)	\$470,359,000
General Fund--Federal Appropriation	(\$820,769,000)	\$835,386,000
General Fund--Private/Local Appropriation	(\$21,000)	\$535,000
TOTAL APPROPRIATION	(\$1,718,884,000)	\$1,750,650,000

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

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

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

(i) The current annual renewal license fee for adult family homes shall be increased to \$225 per bed beginning in fiscal year 2014 and \$225 per bed beginning in fiscal year 2015. A processing fee of \$2,750 shall be charged to each adult family home when the home is initially licensed. This fee is nonrefundable.

(ii) The current annual renewal license fee for assisted living facilities shall be increased to \$106 per bed beginning in fiscal year 2014 and \$106 per bed beginning in fiscal year 2015.

(iii) The current annual renewal license fee for nursing facilities shall be increased to \$359 per bed beginning in fiscal year 2014 and \$359 per bed beginning in fiscal year 2015.

(c) \$13,301,000 of the general fund--state appropriation for fiscal year 2014, \$20,607,000 of the general fund--state appropriation for fiscal year 2015, and \$33,910,000 of the general fund--federal appropriation are provided solely for the implementation of the agreement reached between the governor and the service employees international union healthcare 775nw through an interest arbitration decision under the provisions of chapters 74.39A and 41.56 RCW for the 2013-2015 fiscal biennium.

(d) \$6,244,000 of the general fund--state appropriation for fiscal year 2014 and \$6,244,000 of the general fund--state appropriation for fiscal year 2015 are appropriated solely for the individual and family support program. Within these amounts, the department shall expand the current number of clients receiving services and focus on extending services to individuals with developmental disabilities who are not otherwise receiving paid services from the department.

(e) The department shall reimburse with the exceptional care rate adult family homes that provided care solely to clients with HIV/AIDS on or before January 1, 2000, and continue to provide care solely to clients with HIV/AIDS. The department shall not reduce the exceptional care rate from the rate paid on October 1, 2013.

(f) ~~(\$1,547,000)~~ \$774,000 of the general fund--state appropriation for fiscal year 2015, and ~~(\$4,790,000)~~ \$2,395,000 of the general fund--federal appropriation are provided solely for a payment system that satisfies medicaid requirements regarding time reporting for W-2 providers. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(g) \$1,707,000 of the general fund--state appropriation for fiscal year 2014, \$2,670,000 of the general fund--state appropriation for fiscal year 2015, and \$4,376,000 of the general fund--federal appropriation are provided solely for the homecare agency parity impacts of the service employees international union healthcare 775nw arbitration award.

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

(i) \$91,000 of the general fund--state appropriation for fiscal year 2015 is provided solely to implement Substitute House Bill No. 2310 (provider safety equipment). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

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

(k) The department of social and health services shall increase the benchmark rates for community residential service businesses providing supported living, group home, and licensed staff residential services for people with developmental disabilities by thirty cents starting July 1, 2014.

(l) By January 1, 2015, the developmental disabilities administration of the department of social and health services shall identify stakeholders to participate in work groups, at their own expense, to complete the following and report to the appropriate committees of the legislature on issues raised in the July 31, 2013, state auditor's report which includes:

(i) Providing various community funding scenarios to phase in serving the fifteen thousand people on the no paid services waitlist caseload;

(ii) Developing strategies to expand data gathered during the initial developmental disabilities application process to improve waitlist management;

(iii) Identifying ways to streamline the eligibility and assessment processes that ensure fairness for services provided by the developmental disabilities administration;

- (iv) Providing different options that address the need for more community crisis and respite support for individuals and families;
(v) Identifying the resources and models needed to expand community peer support networks so that they can provide greater support to people receiving limited services or waiting for services;
(vi) Reviewing how other states use shared support hours for community living;
(vii) Identifying additional community residential options;
(viii) Identifying strategies to increase employment hours and wages for individuals employed;
(ix) Reviewing current community access rules and identifying ways to increase hours of service;
(x) Developing strategies to address retaining an adequate workforce;
(xi) Identifying ways to streamline the developmental disabilities system to make it easier and more accessible to navigate;
(xii) Identifying mechanisms for improved contract monitoring and quality assurance;
(xiii) Researching and analyzing moving the developmental disabilities system to a managed care approach and to more self-direction; and
(xiv) Identifying the various medicaid waiver and state plan options that could make better use of state funds while making the service delivery system more accessible to people in need of the services.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2014)	(\$85,261,000)	\$86,005,000
General Fund--State Appropriation (FY 2015)	(\$84,980,000)	\$84,806,000
General Fund--Federal Appropriation	(\$160,021,000)	\$160,310,000
General Fund--Private/Local Appropriation		\$23,041,000
TOTAL APPROPRIATION	(\$353,303,000)	\$354,162,000

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

- (a) Individuals receiving services as supplemental security income (SSI) state supplemental payments shall not become eligible for medical assistance under RCW 74.09.510 due solely to the receipt of SSI state supplemental payments.
- (b) \$721,000 of the general fund--state appropriation for fiscal year 2014 and \$721,000 of the general fund--state appropriation for fiscal year 2015 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.

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2014)	(\$1,943,000)	\$1,975,000
General Fund--State Appropriation (FY 2015)	(\$1,993,000)	\$2,074,000
General Fund--Federal Appropriation	(\$1,957,000)	\$2,102,000
TOTAL APPROPRIATION	(\$5,893,000)	\$6,151,000

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

- (a) \$68,000 of the general fund--state appropriation for fiscal year 2015 and \$46,000 of the general fund--federal appropriation are provided solely for the purposes of designing and implementing the community first choice option benefit pursuant to either Engrossed Substitute House Bill No. 2746 (medicaid personal care) or Substitute Senate Bill No. 6387 (eliminating waiting for individuals with developmental disabilities). If neither of these bills is enacted by June 30, 2014, the amounts provided in this subsection (3)(a) shall lapse.
- (b) It is the intent of the legislature to use savings from the community first choice option to make needed investments in home and community-based services for seniors and people with disabilities, including potential investments recommended by the joint legislative executive committee on aging and disability and a development and implementation council that the department of social and health services must convene prior to submitting the proposed community first choice option to the centers for medicare and medicaid services. At a minimum, the final report to the legislature from the joint legislative executive committee on aging and disability must explore the cost and benefit of rate enhancements for providers of long-term services and supports, restoration of hours for in-home clients, additional investment in the family caregiver support program, and additional investment in the individual and family services program or other medicaid services to support individuals with developmental disabilities.

(4) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2014)	(\$1,400,000)	\$1,403,000
General Fund--State Appropriation (FY 2015)	(\$1,400,000)	\$1,403,000
General Fund--Federal Appropriation	(\$1,200,000)	\$1,206,000
TOTAL APPROPRIATION	(\$4,000,000)	\$4,012,000

Sec. 206. 2013 2nd sp.s. c 4 s 206 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT SERVICES PROGRAM

General Fund--State Appropriation (FY 2014)	(\$869,628,000)	\$860,198,000
General Fund--State Appropriation (FY 2015)	(\$923,218,000)	\$913,984,000
General Fund--Federal Appropriation	(\$1,934,089,000)	\$1,898,401,000
General Fund--Private/Local Appropriation	(\$30,122,000)	\$33,471,000
Traumatic Brain Injury Account—		
State Appropriation	(\$3,393,000)	\$3,392,000
Skilled Nursing Facility Safety Net Trust Account—		
State Appropriation	(\$88,000,000)	\$110,681,000
TOTAL APPROPRIATION	(\$3,848,450,000)	\$3,820,127,000

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

(1) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed \$171.35 for fiscal year 2014 and shall not exceed ~~(\$171.58)~~ \$178.82 for fiscal year 2015, including the rate add-ons described in (a) ~~(and)~~, (b), and (g) of this subsection. However, if the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment is for any reason disapproved, the weighted average nursing facility payment rate shall not exceed \$162.43 for fiscal year 2014 and shall not exceed \$163.58 for fiscal year 2015. There will be no adjustments for economic trends and conditions in fiscal years 2014 and 2015. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the component rate allocations established in accordance with chapter 74.46 RCW. When no economic trends and conditions factor for either fiscal year is defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

(a) For fiscal year 2014 and 2015 within the funds provided, the department shall continue to provide an add-on per medicaid resident day per facility not to exceed \$1.57. The add-on shall be used to increase wages, benefits, and/or staffing levels for certified nurse aides; or to increase wages and/or benefits for dietary aides, housekeepers, laundry aides, or any other category of worker whose statewide average dollars-per-hour wage was less than \$15 in calendar year 2008, according to cost report data. The add-on may also be used to address resulting wage compression for related job classes immediately affected by wage increases to low-wage workers. For fiscal year 2015 within funds provided, the department shall provide an additional add-on per medicaid resident day per facility not to exceed the industry weighted average rate of \$2.44. The add-on shall be used to increase wages, benefits, and/or staffing levels for certified nurse aides; or to increase wages and/or benefits for dietary aides, housekeepers, laundry aides, or any other category of worker whose statewide average dollars-per-hour wage was less than \$17 in calendar year 2012, according to cost report data. The department shall continue reporting requirements and a settlement process to ensure that the funds are spent according to this subsection.

(b) The department shall do a comparative analysis of the facility-based payment rates calculated on July 1, ~~((2013))~~ 2014, using the payment methodology defined in chapter 74.46 RCW and as funded in the omnibus appropriations act, excluding the low wage worker add-on found in (a) of this subsection, the rate add-ons for direct care, support services, and therapy care found in (g) of this subsection, the comparative add-on, acuity add-on, and safety net reimbursement, to the facility-based payment rates in effect June 30, 2010. If the facility-based payment rate calculated on July 1, ~~((2013))~~ 2014, is smaller than the facility-based payment rate on June 30, 2010, then the difference shall be provided to the individual nursing facilities as an add-on payment per medicaid resident day.

(c) During the comparative analysis performed in subsection (b) of this section, if it is found that the direct care rate for any facility calculated using the payment methodology defined in chapter 74.46 RCW and as funded in the omnibus appropriations act, excluding the low wage worker add-on found in (a) of this subsection, the rate add-ons for direct care, support services, and therapy care found in (g) of this subsection, the comparative add-on, acuity add-on, and safety net reimbursement, is greater than the direct care rate in effect on June 30, 2010, then the facility shall receive a ten percent direct care rate add-on to compensate that facility for taking on more acute clients than they have in the past.

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

(e) The rate add-on provided in (c) of this subsection is subject to the reconciliation and settlement process provided in RCW 74.46.022(6).

(f) If the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment is for any reason disapproved, (b), (c), ~~((and))~~ (d), (g), and the fiscal year 2015 additional add-on in (a) of this subsection do not apply.

(g) For fiscal year 2015, the department shall provide the following rate add-ons per medicaid resident day:

(i) A direct care rate add-on of \$3.63 per medicaid resident day;

(ii) A support services rate add-on of \$1.12 per medicaid resident day; and

(iii) A therapy care rate add-on of \$0.05 per patient day.

This subsection (1)(g) is subject to the reconciliation and settlement process provided in RCW 74.46.022(6).

(2) In accordance with chapter 74.46 RCW, the department shall issue no additional certificates of capital authorization for fiscal year 2014 and no new certificates of capital authorization for fiscal year 2015 and shall grant no rate add-ons to payment rates for capital improvements not requiring a certificate of need and a certificate of capital authorization for fiscal years 2014 and 2015.

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

(a) The current annual renewal license fee for adult family homes shall be increased to \$225 per bed beginning in fiscal year 2014 and \$225 per bed beginning in fiscal year 2015. A processing fee of \$2,750 shall be charged to each adult family home when the home is initially licensed. This fee is nonrefundable.

(b) The current annual renewal license fee for assisted living facilities shall be increased to \$106 per bed beginning in fiscal year 2014 and \$106 per bed beginning in fiscal year 2015.

(c) The current annual renewal license fee for nursing facilities shall be increased to \$359 per bed beginning in fiscal year 2014 and \$359 per bed beginning in fiscal year 2015.

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

(5) \$30,640,000 of the general fund--state appropriation for fiscal year 2014, \$48,633,000 of the general fund--state appropriation for fiscal year 2015, and \$79,273,000 of the general fund--federal appropriation are provided solely for the implementation of the agreement reached between the governor and the service employees international union healthcare 775nw through an interest arbitration decision under the provisions of chapters 74.39A and 41.56 RCW for the 2013-2015 fiscal biennium.

(6) \$1,840,000 of the general fund--state appropriation for fiscal year 2014 and \$1,877,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for operation of the volunteer services program. Funding shall be prioritized towards serving populations traditionally served by long-term care services to include senior citizens and persons with disabilities.

(7) (~~(\$4,894,000)~~) \$2,447,000 of the general fund--state appropriation for fiscal year 2015, and (~~(\$15,150,000)~~) \$7,575,000 of the general fund--federal appropriation are provided solely for a payment system that satisfies medicaid requirements regarding time reporting for W-2 providers. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

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

(9) Within the amounts appropriated in this section, in a report to the appropriate fiscal committees of the legislature that must be submitted by December 1, 2013, the department of social and health services must describe the process for establishing medicaid rates for assisted living and adult family homes. The report must include information about licensing and physical plant standards, contracting provisions, and per capita and biennial expenditures for assisted living and adult family homes.

(10) \$10,800,000 of the general fund--state appropriation for fiscal year 2014, \$17,768,000 of the general fund--state appropriation for fiscal year 2015, and \$28,567,000 of the general fund--federal appropriation are provided solely for the homecare agency parity impacts of the service employees international union healthcare 775nw arbitration award.

(11) \$33,000 of the general fund--state appropriation for fiscal year 2014, \$17,000 of the general fund--state appropriation for fiscal year 2015, and \$50,000 of the general fund--federal appropriation are provided solely for staffing and other expenses associated with the work of the joint legislative executive committee on planning for aging and disability issues that is established by this subsection.

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

(i) Four members of the senate, with the leaders of the two largest caucuses each appointing two members. Four members of the house of representatives, with the leaders of the two largest caucuses each appointing two members;

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

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

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

(v) The director of the department of retirement systems or his or her designee.

(b) The committee must convene by September 1, 2013. At the first meeting, the committee will select cochairs from among its members who are legislators. All meetings of the committee are open to the public.

(c) The purpose of the committee is to identify key strategic actions to prepare for the aging of the population in Washington, including state budget and policy options, by conducting at least, but not limited to, the following tasks:

(i) Establish a profile of Washington's current population of older people and people with disabilities and a projection of population growth through 2030;

(ii) Establish an inventory of services and supports currently available to older people and people with disabilities from the health care and long-term services and support systems and other community resources such as housing, transportation, income support, and protection for vulnerable adults;

(iii) Identify state budget and policy options to more effectively use state, federal and private resources to, over time, reduce the growth rate in state expenditures that would otherwise occur by continuing current policy in light of significant population growth;

(iv) Identify strategies to better serve the health care needs of an aging population and people with disabilities, and promote healthy living;

(v) Identify policy options to create financing mechanisms for long-term services and supports that will promote additional private responsibility for individuals and families to meet their needs for service;

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

(vii) Identify policy options to help communities adapt to the aging demographic in planning for housing, land use and transportation.

(d) The committee shall consult with the office of the insurance commissioner, the caseload forecast council, health care authority, and other appropriate entities with specialized knowledge of the needs and growth trends of the aging population and people with disabilities.

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

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

(g) The committee shall issue an interim report to the legislature by December 10, 2013, and issue final recommendations to the governor and relevant standing committees of the legislature by December 10, 2014.

(12) \$240,000 of the general fund--state appropriation for fiscal year 2014, \$1,342,000 of the general fund--state appropriation for fiscal year 2015, and \$1,468,000 of the general fund--federal appropriation are provided solely to implement chapter 320, Laws of 2013 (ESHB 1519) and chapter 338, Laws of 2013 (SSB 5732).

(13) The department shall review the capital add-on rate established by RCW 74.39A.320 for effectiveness in incentivizing assisted living facilities to serve Medicaid eligible clients. Upon completing its review, the department shall submit its findings along with recommendations for alternatives to the office of financial management and the fiscal committees of the legislature by December 1, 2013. The department is encouraged to engage stakeholders in developing alternatives.

(14) \$239,000 of the general fund--state appropriation for fiscal year 2014, \$160,000 of the general fund--state appropriation for fiscal year 2015, and \$398,000 of the general fund--federal appropriation are provided solely to implement chapter 300, Laws of 2013 (SSB 5630).

(15) \$3,000 of the general fund--state appropriation for fiscal year 2015 is provided solely to implement Substitute House Bill No. 2310 (provider safety equipment). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(16) \$296,000 of the general fund--state appropriation for fiscal year 2015 and \$296,000 of the general fund--federal appropriation are provided solely for the purposes of designing and implementing the community first choice option benefit pursuant to either Engrossed Substitute House Bill No. 2746 (medicaid personal care) or Substitute Senate Bill No. 6387 (eliminating waiting for individuals with developmental disabilities). If neither of these bills is enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(17) \$5,094,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for services and support to individuals who are deaf, hard of hearing, or deaf-blind.

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

(19) It is the intent of the legislature to use savings from the community first choice option to make needed investments in home and community-based services for seniors and people with disabilities, including potential investments recommended by the joint legislative executive committee on aging and disability and the development and implementation council that the department of social and health services must convene prior to submitting the proposed community first choice option to the centers for medicare and medicaid services. At a minimum, the final report to the legislature from the joint legislative executive committee on aging and disability must explore the cost and benefit of rate enhancements for providers of long-term services and supports, restoration of hours for in-home clients, additional investment in the family caregiver support program, and additional investment in the individual and family services program or other medicaid services to support individuals with developmental disabilities.

(20) The department shall reimburse with the exceptional care rate adult family homes that provided care solely to clients with HIV/AIDS on or before January 1, 2000, and continue to provide care solely to clients with HIV/AIDS. The department shall not reduce the exceptional care rate from the rate paid on October 1, 2013.

(21) \$30,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the department to contract with area agencies on aging to convene a work group to include first responders and companies providing life alert or other emergency alert services and to develop a proposal on how vulnerable adults who have life alert services might be made known to first responders in the event of a long-term power or telecommunications outage. The work group shall review methods for information sharing to include:

(a) Protocols and conditions in which information would be shared;

(b) A process whereby vulnerable life alert and emergency alert customers may provide permission for their information to be shared in the event of an emergency;

(c) Privacy protections for participants in the program; and

(d) Liability protections for agencies that collect, maintain, and track information.

The work group shall develop recommendations and provide them to the office of financial management and to the appropriate legislative committees by November 15, 2014.

(22) Within existing appropriations, the department is authorized to implement the fully capitated demonstration project for individuals who are dually eligible for medicare and medicaid. Savings realized from this implementation may be used to offset any general fund--state costs incurred by the department.

Sec. 207. 2013 2nd sp.s. c 4 s 207 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES PROGRAM

General Fund--State Appropriation (FY 2014)	(\$402,504,000)	\$371,738,000
General Fund--State Appropriation (FY 2015)	(\$405,019,000)	\$374,979,000
General Fund--Federal Appropriation	(\$1,211,774,000)	\$1,235,362,000
General Fund--Private/Local Appropriation	(\$30,594,000)	\$36,450,000
Administrative Contingency Account—State Appropriation		\$5,000,000
TOTAL APPROPRIATION	(\$2,049,891,000)	\$2,023,529,000

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

(1)(a) ~~(\$178,757,000)~~ \$145,315,000 of the general fund--state appropriation for fiscal year 2014, ~~(\$172,999,000)~~ \$146,136,000 of the general fund--state appropriation for fiscal year 2015, \$5,000,000 of the administrative contingency account--state appropriation, and ~~(\$732,881,000)~~ \$770,440,000 of the general fund--federal appropriation are provided solely for all components of the WorkFirst program. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families. The department must create a WorkFirst budget structure that allows for transparent tracking of budget units and subunits of expenditures where these units and subunits are mutually exclusive from other department budget units. The budget structure must include budget units for the following: Cash assistance, child care, WorkFirst activities, and administration of the program. Within these budget units, the department must develop program index codes for specific activities and develop allotments and track expenditures using these codes. The department shall report to the office of financial management and the relevant fiscal and policy committees of the legislature prior to adopting the new structure. The secretary of the department of social and health services, working with WorkFirst partner agencies and in collaboration with the WorkFirst oversight task force, shall develop a plan for maximizing the following outcomes and shall report back to the legislature by November 1, 2013. The outcomes to be measured are: (i) Increased employment; (ii) completion of education or post-secondary training; (iii) completion of barrier removal activity including drug and alcohol or mental health treatment; (iv) housing stability; (v) child care or education stability for the

children of temporary assistance for needy families recipients; (vi) reduced rate of return after exit from the WorkFirst program; and (vii) work participation requirements.

(b) (~~(\$406,818,000)~~) \$374,455,000 of the amounts in (a) of this subsection are provided solely for assistance to clients, including grants, diversion cash assistance, and additional diversion emergency assistance including but not limited to assistance authorized under RCW 74.08A.210. The department may use state funds to provide support to working families that are eligible for temporary assistance for needy families but otherwise not receiving cash assistance.

(c) (~~(\$168,019,000)~~) \$171,893,000 of the amounts in (a) of this subsection are provided solely for WorkFirst job search, education and training activities, barrier removal services, limited English proficiency services, and tribal assistance under RCW 74.08A.040. The department must allocate this funding based on client outcomes and cost effectiveness measures.

(d) (~~(\$367,676,000)~~) \$352,085,000 of the amounts in (a) of this subsection are provided solely for the working connections child care program under RCW 43.215.135. The amounts provided in this subsection (d) are provided conditioned on the department of social and health services and the department of early learning taking additional actions to identify and reduce the backlog of overpayment cases related to public assistance programs, including the working connections child care program. The departments shall collaborate and create a plan to triage overpayment cases in a manner that identifies and prioritizes cases with large overpayments and likelihood of fraudulent activity. The departments shall provide a quarterly report to the appropriate policy and fiscal committees of the legislature detailing the specific actions taken as a result of this subsection (d). The department of social and health services shall also establish an interagency agreement with the state auditor's office to conduct an independent performance audit of the office of fraud and accountability recovery. The audit shall include an analysis of the data reporting elements used by the office, current methods for determining the closing of cases, workload allocation, and issues associated with coordination between the two departments. \$300,000 of the amount provided in this subsection (d) is provided solely for this performance audit.

(e) (~~(\$142,124,000)~~) \$168,456,000 of the amounts in (a) of this subsection are provided solely for WorkFirst and working connections child care administration and overhead.

(f) The amounts in (b) through ~~((d))~~ (e) of this subsection shall be expended for the programs and in the amounts specified. However, the department may transfer up to 10 percent of funding between (b) through ~~((d))~~ (e) of this subsection ~~((but only if the funding is available or necessary to transfer solely due to utilization, caseload changes, or underperformance in terms of client outcomes))~~. The department shall provide notification prior to any transfer to the office of financial management and to the appropriate legislative committees and the legislative-executive WorkFirst oversight task force. The approval of the director of financial management is required prior to any transfer under this subsection.

(2) \$1,657,000 of the general fund--state appropriation for fiscal year 2014 and \$1,657,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for naturalization services.

(3) \$2,366,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for employment services for refugees and immigrants, of which \$1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services; and \$2,366,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for employment services for refugees and immigrants, of which \$1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services.

(4) On December 1, 2013, and annually thereafter, the department must report to the legislature on all sources of funding available for both refugee and immigrant services and naturalization services during the current fiscal year and the amounts expended to date by service type and funding source. The report must also include the number of clients served and outcome data for the clients.

(5) To ensure expenditures remain within available funds appropriated in this section, the legislature establishes the benefit under the state food assistance program, pursuant to RCW 74.08A.120, to be no less than seventy-five percent and no more than one hundred percent of the federal supplemental nutrition assistance program benefit amount.

(6) \$18,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for implementation of section 1, chapter 337, Laws of 2013 (2SSB 5595).

(7) \$4,729,000 of the general fund--state appropriation for fiscal year 2014 and \$4,729,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of the telephone assistance program and the Washington information network 211 organization pursuant to Substitute House Bill No. 1971 (communication services). Of these funds, \$500,000 of the general fund--state appropriation for fiscal year 2014 and \$500,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for operational support of the Washington information network 211 organization. If Substitute House Bill No. 1971 (communication services) is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

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

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

(10) \$500,000 of the general fund--state appropriation for fiscal year 2014 and \$1,500,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of Substitute House Bill No. 2069 (safety net benefits). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

Sec. 208. 2013 2nd sp.s. c 4 s 208 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE ABUSE PROGRAM

General Fund--State Appropriation (FY 2014)	(\$72,650,000)	<u>\$73,021,000</u>
General Fund--State Appropriation (FY 2015)	(\$61,855,000)	<u>\$63,535,000</u>
General Fund--Federal Appropriation	(\$277,248,000)	<u>\$279,090,000</u>
General Fund--Private/Local Appropriation	(\$13,554,000)	<u>\$16,301,000</u>
Criminal Justice Treatment Account—		
State Appropriation	(\$14,568,000)	<u>\$14,284,000</u>

Problem Gambling Account--State Appropriation ((\$1,450,000))	\$1,449,000
TOTAL APPROPRIATION ((\$441,325,000))	\$447,680,000

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

(1) Within the amounts appropriated in this section, the department may contract with the University of Washington and community-based providers for the provision of the parent-child assistance program or other specialized chemical dependency case management providers for pregnant, post-partum, and parenting women. For all contractors: (a) Service and other outcome data must be provided to the department by request; (b) program modifications needed to maximize access to federal medicaid matching funds will be phased in over the course of the 2013-2015 fiscal biennium; and (c) indirect charges for administering the program shall not exceed ten percent of the total contract amount.

(2) Within the amounts appropriated in this section, the department shall continue to provide for chemical dependency treatment services for adult medicaid eligible, pregnant and parenting women, disability lifeline, and alcoholism and drug addiction treatment and support act, and medical care services clients.

(3) In accordance with RCW 70.96A.090 and 43.135.055, the department is authorized to adopt fees for the review and approval of treatment programs in fiscal years 2014 and 2015 as necessary to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower cost of licensing for these programs than for other organizations which are not accredited.

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

(5) \$2,600,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for the department to transition 128 beds from settings that are considered institutions for mental diseases to facilities with no more than 16 beds that are able to claim federal match for services provided to medicaid clients or individuals covered under the department's section 1115 medicaid waiver. The department may conduct a request for proposal process to fulfill this requirement and adopt rates that are comparable to the pilot projects implemented in the 2011-13 fiscal biennium. The department may use these funds to assist with the costs of providers in setting up or converting to 16-bed facilities. This funding may also be used for providers that are developing new capacity for clients who will become eligible for services under the affordable care act medicaid expansion. The number of beds available for pregnant and parenting women must not be reduced.

(6) (~~(\$283,000)~~) \$141,000 of the (~~criminal justice treatment account~~) general fund--state appropriation (~~(is)~~) for fiscal year 2014 and \$142,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for transitional funding for the family drug court in Pierce county.

(7) Within the amounts appropriated in this section, the department shall review differential rates paid for alcohol and substance abuse assessment and treatment services for medicaid and nonmedicaid clients and the impact to providers as previously uninsured clients become eligible for services through the medicaid expansion under the federal patient protection and affordable care act. By December 1, 2014, the department must submit a report to the legislature which provides: (a) The estimated impact on providers for each type of medicaid reimbursable service as newly eligible clients shift from nonmedicaid to medicaid rates; (b) identification of which types of providers will be most significantly impacted by these shifts; (c) identification of the estimated annual costs for increasing rates for each level of service; and (d) a summary of federal requirements that must be considered in determining how any future rate increase must be implemented.

(8) \$33,000 of the general fund--state appropriation for fiscal year 2015 and \$29,000 of the general fund--federal appropriation are provided solely to expand access to a program located in a county with a population over 700,000 that provides case management and coordinating services for low-income women who are pregnant or parenting and have a suspected history of alcohol or drug abuse.

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

Sec. 209. 2013 2nd sp.s. c 4 s 209 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL REHABILITATION PROGRAM

General Fund--State Appropriation (FY 2014)	(\$16,478,000)	\$16,568,000
General Fund--State Appropriation (FY 2015)	(\$16,459,000)	\$11,083,000
General Fund--Federal Appropriation	(\$99,413,000)	\$99,397,000
TOTAL APPROPRIATION	(\$132,350,000)	\$127,048,000

The appropriations in this section are subject to the following conditions and limitations: \$5,006,000 of the general fund--state appropriation for fiscal year 2014 (~~and \$5,094,000 of the general fund--state appropriation for fiscal year 2015 are~~) is provided solely for services and support to individuals who are deaf, hard of hearing, or deaf-blind.

Sec. 210. 2013 2nd sp.s. c 4 s 210 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--SPECIAL COMMITMENT PROGRAM

General Fund--State Appropriation (FY 2014)	(\$36,420,000)	\$37,796,000
General Fund--State Appropriation (FY 2015)	(\$35,813,000)	\$36,492,000
TOTAL APPROPRIATION	(\$72,233,000)	\$74,288,000

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

(1) The department of social and health services shall transfer the stewardship of McNeil Island to the department of corrections industries program, effective September 1, 2013. The transferred responsibilities shall include marine operations, waste water treatment, water treatment, road maintenance, and any other general island maintenance that is not site specific to the operations of the special

commitment center or the Pierce county secure community transition facility. Facility maintenance within the perimeter of the special commitment center shall remain the responsibility of the department of social and health services. Capital repairs and maintenance necessary to maintain the special commitment center on McNeil Island shall be managed by the department of social and health services. The legislature directs both departments to enter into an interagency agreement by August 1, 2013. The office of financial management shall oversee the negotiations of the interagency agreement. The interagency agreement must describe equipment that will transfer between the departments, warehouse space that will be shared by the departments, and occupancy requirements for any shops outside the perimeter of the special commitment center. The office of financial management will make the final determination on any disagreements between the departments on the details of the interagency agreement.

(2) (~~(\$3,120,000)~~) \$3,042,000 of the general fund--state appropriation for fiscal year 2014 and (~~(\$3,120,000)~~) \$3,024,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for operational costs specific to island operations of the special commitment center and the Pierce county secure community transition facility. The department shall establish an accounting structure that enables it to track and report on costs specific to island operations.

(3) All employees of the department of social and health services engaged in performing the powers, functions, and duties transferred to the department of corrections industries program under this subsection, are transferred to the department of corrections.

(4) All classified employees of the department of social and health services assigned to the department of corrections under this subsection whose positions are within an existing bargaining unit description at the department of corrections shall become a part of the existing bargaining unit at the department of corrections and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

(5) By November 1, 2014, the department of social and health services shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's costs for certain medical and pharmacy costs for its residents within the special commitment center. The department as part of its evaluation shall consult with the health care authority, the health benefits exchange, and the department of corrections. At a minimum, the report should look at the following items: (a) Obtaining medicaid eligibility for residents; (b) feasibility of obtaining insurance for residents through the health benefit exchange; (c) utilizing multistate consortiums for the purchase of pharmaceuticals to reduce costs; and (d) consolidating contracts for medical inpatient and outpatient services with western state hospital.

Sec. 211. 2013 2nd sp.s. c 4 s 211 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2014)	(\$30,127,000)	<u>\$29,773,000</u>
General Fund--State Appropriation (FY 2015)	(\$29,333,000)	<u>\$28,313,000</u>
General Fund--Federal Appropriation	(\$37,150,000)	<u>\$37,067,000</u>
General Fund--Private/Local Appropriation		\$654,000
TOTAL APPROPRIATION	(\$97,264,000)	<u>\$95,807,000</u>

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

(1) \$395,000 of the general fund--state appropriation for fiscal year 2014, \$228,000 of the general fund--state appropriation for fiscal year 2015, and \$335,000 of the general fund--federal appropriation are provided solely to implement chapter 320, Laws of 2013 (ESHB 1519) and chapter 338, Laws of 2013 (2SSB 5732).

(2) \$300,000 of the general fund--state appropriation for fiscal year 2014 and \$300,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington state mentors program to continue its public-private partnerships to provide technical assistance and training to mentoring programs that serve at-risk youth.

(3) \$82,000 of the general fund--state appropriation for fiscal year 2014, \$44,000 of the general fund--state appropriation for fiscal year 2015, and \$28,000 of the general fund--federal appropriation are provided solely to develop a report on state efforts to prevent and control diabetes. The department, the health care authority, and the department of health shall submit a coordinated report to the governor and the appropriate committees of the legislature by December 31, 2014, on the following:

(a) The financial impacts and reach that diabetes of all types and undiagnosed gestational diabetes are having on the programs administered by each agency and individuals, including children with mothers with undiagnosed gestational diabetes, enrolled in those programs. Items in this assessment must include: (i) The number of lives with diabetes and undiagnosed gestational diabetes impacted or covered by the programs administered by each agency; (ii) the number of lives with diabetes, or at risk for diabetes, and family members impacted by prevention and diabetes control programs implemented by each agency; (iii) the financial toll or impact diabetes and its complications, and undiagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs in comparison to other chronic diseases and conditions; and (iv) the financial toll or impact diabetes and its complications, and diagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs;

(b) An assessment of the benefits of implemented and existing programs and activities aimed at controlling all types of diabetes and preventing the disease. This assessment must also document the amount and source for any funding directed to each agency for the programs and activities aimed at reaching those with diabetes of all types;

(c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all types of diabetes and its complications;

(d) The development or revision of detailed policy-related action plans and budget recommendations for battling diabetes and undiagnosed gestational diabetes that includes a range of actionable items for consideration by the legislature. The plans and budget recommendations must identify proposed action steps to reduce the impact of diabetes, prediabetes, related diabetes complications, and undiagnosed gestational diabetes. The plans and budget recommendations must also identify expected outcomes of the action steps proposed in the following biennium while also establishing benchmarks for controlling and preventing all types of diabetes; and

(e) An estimate of savings, efficiencies, costs, and budgetary savings and resources required to implement the plans and budget recommendations identified in (d) of this subsection (5).

Sec. 212. 2013 2nd sp.s. c 4 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER AGENCIES PROGRAM

General Fund--State Appropriation (FY 2014)	(\$60,470,000)	<u>\$62,822,000</u>
General Fund--State Appropriation (FY 2015)	(\$60,511,000)	<u>\$65,716,000</u>
General Fund--Federal Appropriation	(\$55,264,000)	<u>\$58,340,000</u>
TOTAL APPROPRIATION	(\$176,245,000)	<u>\$186,878,000</u>

Sec. 213. 2013 2nd sp.s. c 4 s 213 (uncodified) is amended to read as follows:

FOR THE STATE HEALTH CARE AUTHORITY

General Fund--State Appropriation (FY 2014)	(\$2,131,026,000)	<u>\$2,144,827,000</u>
General Fund--State Appropriation (FY 2015)	(\$2,114,731,000)	<u>\$2,161,903,000</u>
General Fund--Federal Appropriation	(\$7,245,749,000)	<u>\$7,908,155,000</u>
General Fund--Private/Local Appropriation	(\$57,780,000)	<u>\$56,400,000</u>
Emergency Medical Services and Trauma Care Systems		
Trust Account--State Appropriation		\$15,082,000
Hospital Safety Net Assessment Fund—		
State Appropriation	(\$669,381,000)	<u>\$669,380,000</u>
Health Benefit Exchange Account—		
State Appropriation	(\$17,277,000)	<u>\$16,580,000</u>
State Health Care Authority Administration Account--		
State Appropriation	(\$34,809,000)	<u>\$35,328,000</u>
Medical Aid Account--State Appropriation		\$528,000
Medicaid Fraud Penalty Account--State Appropriation		\$21,206,000
TOTAL APPROPRIATION	(\$12,307,569,000)	<u>\$13,029,389,000</u>

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

(1) ~~(\$1,143,994,000)~~ \$1,900,484,000 of the general fund--federal appropriation is provided solely to implement the medicaid expansion as defined in the social security act, section 1902(a)(10)(A)(i)(VIII), subject to the conditions and limitations in this subsection. If the federal medical assistance percentage for the medicaid expansion falls below the percentages in section 1905(y) of the social security act as of July 1, 2013, the authority shall ensure that the state does not incur any additional state costs above what would have been incurred had the federal medical assistance percentages remained at the percentages in section 1905(y) as of July 1, 2013. The director is authorized to make any necessary program adjustments to comply with this requirement, including adding or adjusting premiums, modifying benefits, or reducing optional programs. To the extent a waiver is needed to accomplish this, the director shall promptly apply for such waiver. If a necessary waiver is not approved, the medicaid expansion program shall be terminated upon appropriate notification to the legislature and enrollees.

(2) The requirements of this subsection apply to the basic health plan. This subsection is null and void and has no further effect upon implementation of the medicaid expansion under subsection (1) of this section.

(a) Within amounts appropriated in this section and sections 205 and 206 of this act, the health care authority shall continue to provide an enhanced basic health plan subsidy for foster parents licensed under chapter 74.15 RCW and workers in state-funded home care programs. Under this enhanced subsidy option, foster parents eligible to participate in the basic health plan as subsidized enrollees and home care workers with family incomes below 200 percent of the federal poverty level shall be allowed to enroll in the basic health plan at the minimum premium amount charged to enrollees with incomes below sixty-five percent of the federal poverty level.

(b) The health care authority shall require organizations and individuals that are paid to deliver basic health plan services and that choose to sponsor enrollment in the subsidized basic health plan to pay 133 percent of the premium amount which would otherwise be due from the sponsored enrollees.

(c) The administrator shall take at least the following actions to assure that persons participating in the basic health plan are eligible for the level of assistance they receive: (a) Require submission of (i) income tax returns, and recent pay history, from all applicants, or (ii) other verifiable evidence of earned and unearned income from those persons not required to file income tax returns; (b) check employment security payroll records at least once every twelve months on all enrollees; (c) require enrollees whose income as indicated by payroll records exceeds that upon which their subsidy is based to document their current income as a condition of continued eligibility; (d) require enrollees for whom employment security payroll records cannot be obtained to document their current income at least once every six months; (e) not reduce gross family income for self-employed persons by noncash-flow expenses such as, but not limited to, depreciation, amortization, and home office deductions, as defined by the United States internal revenue service; and (f) pursue repayment and civil penalties from persons who have received excessive subsidies, as provided in RCW 70.47.060(9).

(d) Enrollment in the subsidized basic health plan shall be limited to only include persons who qualify as subsidized enrollees as defined in RCW 70.47.020 and who (a) qualify for services under 1115 medicaid demonstration project number 11-W-00254/10; or (b) are foster parents licensed under chapter 74.15 RCW.

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

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

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

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

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

(8) \$4,261,000 of the general fund--state appropriation for fiscal year 2014, \$4,261,000 of the general fund--state appropriation for fiscal year 2015, and \$8,522,000 of the general fund--federal appropriation are provided solely for low-income disproportionate share hospital payments.

(9) \$400,000 of the general fund--state appropriation for fiscal year 2014, ~~(\$400,000)~~ \$200,000 of the general fund--state appropriation for fiscal year 2015, and ~~(\$800,000)~~ \$600,000 of the general fund--federal appropriation are provided solely for disproportionate share hospital payments to rural hospitals certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011 that do not participate in the certified public expenditures program. The authority shall discontinue these payments on January 1, 2015.

(10) \$100,000 of the general fund--state appropriation for fiscal year 2014 and ~~(\$100,000)~~ \$50,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for grants to rural hospitals in Clallam county that were certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011. The authority shall discontinue these payments on January 1, 2015.

(11) \$100,000 of the general fund--state appropriation for fiscal year 2015 and \$100,000 of the general fund--federal appropriation are provided solely for disproportionate share hospital payments beginning on January 1, 2015, to rural hospitals in Lewis county that were certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011. The authority shall discontinue these payments after June 30, 2015.

(12) \$150,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for grants to rural public hospitals in Grant county that were certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011. The authority shall discontinue these payments after June 30, 2015.

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

~~((42))~~ (14) \$6,000,000 of the general fund--federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the health care authority's discretion. During either the interim cost settlement or the final cost settlement, the health care authority shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The health care authority shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

~~((43))~~ (15) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2013-2015 fiscal biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The health care authority shall submit reports to the governor and legislature by November 1, 2013, and by November 1, 2014, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the health care authority shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2014 and fiscal year 2015, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2013-2015 biennial operating appropriations act and in effect on July 1, 2013, (b) one-half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2013-2015 fiscal biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. ~~(\$3,860,000)~~ \$11,928,000 of the general fund--state appropriation for fiscal year 2014 and ~~(\$1,137,000)~~ \$14,821,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for state grants for the participating hospitals.

~~((14))~~ (16) The health care authority shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

~~((15))~~ (17) The health care authority shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race. The health care authority shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the health care authority shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.

~~((16))~~ (18) \$170,000 of the general fund--state appropriation for fiscal year 2014, \$121,000 of the general fund--state appropriation for fiscal year 2015, and \$292,000 of the general fund--federal appropriation are provided solely to implement Engrossed Substitute House Bill No. 1519 (service coordination organizations) and Second Substitute Senate Bill No. 5732 (behavioral health services). If neither of the bills is enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

~~((17))~~ (19) \$57,000 of the general fund--state appropriation for fiscal year 2014, \$40,000 of the general fund--state appropriation for fiscal year 2015, and \$55,000 of the general fund--federal appropriation are provided solely to develop a report on state efforts to prevent and control diabetes. The authority, the department of social and health services, and the department of health shall submit a coordinated report to the governor and the appropriate committees of the legislature by December 31, 2014, on the following:

(a) The financial impacts and reach that diabetes of all types and undiagnosed gestational diabetes are having on the programs administered by each agency and individuals, including children with mothers with undiagnosed gestational diabetes, enrolled in those programs. Items in this assessment must include: (i) The number of lives with diabetes and undiagnosed gestational diabetes impacted or covered by the programs administered by each agency; (ii) the number of lives with diabetes, or at risk for diabetes, and family members impacted by prevention and diabetes control programs implemented by each agency; (iii) the financial toll or impact diabetes and its complications, and undiagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs in comparison to other chronic diseases and conditions; and (iv) the financial toll or impact diabetes and its complications, and diagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs;

(b) An assessment of the benefits of implemented and existing programs and activities aimed at controlling all types of diabetes and preventing the disease. This assessment must also document the amount and source for any funding directed to each agency for the programs and activities aimed at reaching those with diabetes of all types;

(c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all types of diabetes and its complications;

(d) The development or revision of detailed policy-related action plans and budget recommendations for battling diabetes and undiagnosed gestational diabetes that includes a range of actionable items for consideration by the legislature. The plans and budget recommendations must identify proposed action steps to reduce the impact of diabetes, prediabetes, related diabetes complications, and undiagnosed gestational diabetes. The plans and budget recommendations must also identify expected outcomes of the action steps proposed in the following biennium while also establishing benchmarks for controlling and preventing all types of diabetes; and

(e) An estimate of savings, efficiencies, costs, and budgetary savings and resources required to implement the plans and budget recommendations identified in (d) of this subsection (17).

~~((18))~~ (20) Within the amounts appropriated in this section, the authority shall identify strategies to improve patient adherence to treatment plans for diabetes and implement these strategies as a pilot through one health home program to be identified by the authority. The authority shall report to the governor and the legislature in December 2014 on the progress of strategy implementation. The authority shall report to the governor and legislature in December 2015 on patient outcomes and cost savings derived from new adherence strategies in the health home model and make recommendations for improving the strategies.

~~((19))~~ (21) Effective January 1, 2014, managed care contracts must incorporate accountability measures that monitor patient health and improved health outcomes, and shall include an expectation that each patient receive a wellness examination that documents the baseline health status and allows for monitoring of health improvements and outcome measures.

~~((20))~~ (22) \$25,000 of the general fund--state appropriation for fiscal year 2014 and \$25,000 of the general fund--federal appropriation are provided solely for the development of recommendations for funding integrated school nursing and outreach services. The authority shall collaborate with the office of the superintendent of public instruction to develop recommendations for increasing federal financial participation for providing nursing services in schools with the goals of integrating nursing and outreach services and supporting one nurse for every four hundred fifty students in elementary schools and one nurse for every seven hundred fifty students in secondary schools. In developing these recommendations, the authority shall inquire with the federal centers for medicare and medicaid services about state plan amendment or waiver options for receiving additional federal matching funds for school nursing services provided to children enrolled in apple health for kids. The recommendations shall include proposals for funding training and reimbursement for nurses that provide outreach services to help eligible students enroll in apple health for kids and other social services programs. The authority and the office of the superintendent of public instruction shall provide these recommendations to the governor and the legislature by December 1, 2013.

~~((21))~~ (23) \$430,000 of the general fund--state appropriation for fiscal year 2014 and \$500,000 of the general fund--federal appropriation are provided solely to complete grant requirements for the health information exchange.

~~((22))~~ (24) \$143,000 of the medicaid fraud penalty account--state appropriation and \$423,000 of the general fund--federal appropriation are provided solely for the rebasing of outpatient and inpatient payment methods.

~~((23))~~ (25) \$1,163,000 of the medicaid fraud penalty account--state appropriation and \$9,710,000 of the general fund--federal appropriation are provided solely to implement the conversion to the tenth version of the world health organization's international classification of diseases.

~~((24))~~ (26) \$111,000 of the general fund--state appropriation for fiscal year 2014, \$35,000 of the general fund--state appropriation for fiscal year 2015, and \$359,000 of the general fund--federal appropriation are provided solely to update the medicaid

information technology architecture state self-assessment and to develop the five year road map for the medicaid information technology architecture architect.

~~((25))~~ (27) \$62,000 of the general fund--state appropriation for fiscal year 2014, \$62,000 of the general fund--state appropriation for fiscal year 2015, and \$126,000 of the general fund--federal appropriation are provided solely to support the Robert Bree collaborative's efforts to disseminate evidence-based best practices for preventing and treating health problems.

~~((26))~~ (28) Within the amounts appropriated in this section, the authority shall increase reimbursement rates for primary care services provided by independent nurse practitioners to medicare levels for the period from July 1, 2013, to December 31, 2014.

~~((27))~~ (29) The authority shall seek a medicaid state plan amendment to create a professional services supplemental payment managed care program for professional services delivered to managed care recipients by University of Washington medicine and other public professional providers. This program shall be effective as soon as administratively possible and shall operate concurrently with the existing professional services supplemental payment program. The authority shall apply federal rules for identifying the difference between average commercial rates and fee-for-service medicaid payments. This difference will be multiplied by the number of managed care encounters and incorporated into the managed care plan capitation rates by a certified actuary. The managed care plans will pay the providers the difference attributable to the increased capitation rate. Participating providers shall be solely responsible for providing the local funds required to obtain federal matching funds. Any incremental costs incurred by the authority in the development, implementation, and maintenance of this program shall be the responsibility of the participating providers. Participating providers shall retain the full amount of supplemental payments provided under this program, net of any costs related to the program that are disallowed due to audits or litigation against the state.

~~((28))~~ (30) Sufficient amounts are appropriated in this section for the authority to provide an adult dental benefit beginning January 1, 2014.

~~((29))~~ (31) To the extent allowed under federal law, the authority shall require an adult client to enroll in full medicaid coverage instead of family planning-only coverage unless the client is at risk of domestic violence.

~~((30))~~ (32) The authority shall facilitate enrollment under the medicaid expansion for clients applying for or receiving state funded services from the authority and its contractors. Prior to open enrollment, the authority shall coordinate with the department of social and health services to provide referrals to the Washington health benefit exchange for clients that will be ineligible for the medicaid expansion but are enrolled in coverage that will be eliminated in the transition to the medicaid expansion.

~~((31))~~ (33) \$90,000 of the general fund--state appropriation for fiscal year 2014, \$90,000 of the general fund--state appropriation for fiscal year 2015, and \$180,000 of the general fund--federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free hotline that assists families to learn about and enroll in the apple health for kids program.

~~((32))~~ (34) Within the amounts appropriated in this section, the authority shall reduce premiums for children with family incomes above 200 percent of the federal poverty level in the state-funded children's health program who are not eligible for coverage under the federal children's health insurance program. Premiums in the state and federal children's health insurance program shall be equal.

~~((33))~~ (35) The appropriations in this section reflect savings and efficiencies by transferring children receiving medical care provided through fee-for-service to medical care provided through managed care.

~~((34))~~ (36) \$150,000 of the general fund--state appropriation for fiscal year 2014, \$436,000 of the general fund--state appropriation for fiscal year 2015, and \$170,561,000 of the general fund--federal appropriation are provided solely for the provider incentive program and other initiatives related to the health information technology medicaid plan.

(37) ~~((1,531,000))~~ \$1,528,000 of the general fund--state appropriation for fiscal year 2014, ~~((280,000))~~ \$2,206,000 of the general fund--state appropriation for fiscal year 2015, and ~~((10,803,000))~~ \$17,912,000 of the general fund--federal appropriation are provided solely to implement phase two of the project to create a single provider payment system that consolidates medicaid medical and social services payments and replaces the social service payment system. The amounts provided in this subsection are conditioned on the authority satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(38) Within the amounts appropriated in this section, the health care authority and the department of social and health services shall implement the state option to provide health homes for enrollees with chronic conditions under section 2703 of the federal affordable care act. The total state match for enrollees who are dually-eligible for both medicare and medicaid and not enrolled in managed care shall be no more than the net savings to the state from the enhanced match rate for its medicaid-only managed care enrollees under section 2703.

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

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

(41) Within amounts appropriated, the health care authority shall conduct a review of its management and staffing structure to identify efficiencies and opportunities to reduce full time equivalent employees and other administrative costs. A report summarizing the review and the authority's recommendations to reduce costs and full time equivalent employees must be submitted to the governor and legislature by November 1, 2013.

(42) ~~((17,279,000))~~ \$16,580,000 of the health benefit exchange account--state appropriation and ~~((2,721,000))~~ \$3,409,000 of the general fund--federal appropriation are provided solely to support the operations of the Washington health benefit exchange from January 1, 2015, to June 30, 2015. The Washington state health insurance pool administrator shall transfer \$20,838,000 of pool contributions to the treasurer for deposit into the health benefit exchange account in calendar year 2014. 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. Within the amounts provided in this subsection, \$321,000 of the health benefit exchange account--state appropriation and \$688,000 of the general fund--federal appropriation are provided solely for print services and postage for modified adjusted gross income medicaid eligibility correspondence sent from the health benefit exchange.

(43) Within the amounts appropriated in this section, the authority shall continue to provide coverage after December 31, 2013, for pregnant teens that qualify under existing pregnancy medical programs, but whose eligibility for pregnancy related services would otherwise end due to the application of the new modified adjusted gross income eligibility standard.

~~(44) ((Upon implementation of the medicaid expansion under subsection (1) of this section, the breast and cervical cancer treatment program is eliminated. To maintain continuity of coverage, the authority shall offer the option to stay in a fee-for-service program to clients that are already enrolled in the breast and cervical cancer treatment program and will be transitioned into the new adult group upon implementation of the medicaid expansion. The authority will continue to provide coverage to clients that are already enrolled in the breast and cervical cancer treatment program at the time of program elimination until their courses of treatment are completed.))~~
Sufficient amounts are appropriated in this section to restore medicaid coverage under the breast and cervical cancer treatment program.

(45) \$40,000 of the general fund--state appropriation for fiscal year 2014 and \$40,000 of the general fund--federal appropriation are provided solely for the authority to create a new position to provide adequate oversight and assistance to managed care organizations, rural health clinics, and federally qualified health centers under a new administratively streamlined payment methodology. Effective July 1, 2013, or upon obtaining any necessary federal approval, but in no case during the first quarter of a calendar year, the authority shall implement an administratively streamlined payment methodology for federally qualified health centers and rural health clinics. The authority's payments to managed care organizations shall include the full encounter payment comprised of both the standard and enhancement payments for federally qualified health centers and rural health clinics as defined in the medicaid state plan and in accordance with section 1902(bb) of the social security act (42 U.S.C. 1396a(bb)). At no time will a managed care organization be at risk for or have any claim to the supplemental payment portion of the rate which will be reconciled to ensure accurate payment and full pass through of the obligated funds. For any services eligible for encounter payments, as defined in the medicaid state plan, managed care organizations shall be required to pay at least the full published encounter rates directly to each clinic or center, and payments will be reconciled on at least an annual basis between the managed care organization and the authority, with final review and approval by the authority. At the option of any clinic, the enhancement payment can be received from the managed care organization on a per member per month basis for all assigned managed care enrollees in an amount prescribed by the authority. Nothing in this section is intended to disrupt mutually agreeable contractual arrangements between managed care organizations and clinics that impact how the standard payment for services is paid. The authority will require participating managed care organizations to reimburse federally qualified health centers and rural health clinics for clean claims in strict adherence to the timeliness of payment standards established under contract and specified for the medicaid fee-for-service program in section 1902(a)(37) of the social security act (42 U.S.C. 1396a(a)(37)), 42 C.F.R. Sec. 447.46, and specified for health carriers in WAC 284-43-321. The authority shall exercise all necessary options under its existing sanctions policy to enforce timely payment of claims. The authority shall ensure necessary staff and resources are identified to actively monitor and enforce the timeliness and accuracy of payments to federally qualified health centers and rural health clinics. By January 1, 2014, and after collaboration with federally qualified health centers, rural health clinics, managed care plans, and the centers for medicare and medicaid services, the authority will produce a report that provides options for a new payment methodology that rewards innovation and outcomes over volume of services delivered, and which maintains the integrity of the rural health clinic and federally qualified health center programs as outlined under federal law. The report will detail necessary federal authority for implementation and provide the benefits and drawbacks of each option.

(46) \$3,605,000 of the general fund--state appropriation for fiscal year 2014 is provided solely to proportionally reduce the amounts that rural health clinics owe the state under the calendar year 2009 recoupment.

(47) Sufficient amounts are appropriated in this section to remove the mental health visit limit and to provide the shingles vaccine and screening, brief intervention, and referral to treatment benefits that are available in the medicaid alternative benefit plan in the current medicaid benefit plan beginning January 1, 2014. ~~((The authority shall monitor the costs of the habilitative benefit as part of the forecasting process but shall not provide this benefit in the current medicaid benefit plan without a direct appropriation in the omnibus appropriations act.))~~

(48) The appropriations in this section reflect savings and efficiencies achieved by modifying dispensing methods of contraceptive drugs. The authority must make arrangements for all medicaid programs offered through managed care plans or fee-for-service programs to require dispensing of contraceptive drugs with a one-year supply provided at one time unless a patient requests a smaller supply or the prescribing physician instructs that the patient must receive a smaller supply. Contracts with managed care plans must allow on-site dispensing of the prescribed contraceptive drugs at family planning clinics. Dispensing practices must follow clinical guidelines for appropriate prescribing and dispensing to ensure the health of the patient while maximizing access to effective contraceptive drugs.

(49)(a) \$75,000 of the general fund--state appropriation for fiscal year 2014 and \$75,000 of the general fund--federal appropriation are provided solely for preparing options with an expert consultant for possible implementation of a targeted premium assistance program and possible implementation of the federal basic health option. \$75,000 of the amounts appropriated in this subsection is provided solely for the development of options related to the targeted premium assistance program. The authority shall develop options for a waiver request to the federal centers for medicare and medicaid services to implement a targeted premium assistance program for the expansion adults, identified in section 1902(a)(10)(A)(i)(VIII) of the social security act, with incomes above one hundred percent of the federal poverty level, and for children covered in the children's health insurance program with incomes above two hundred percent of the federal poverty level, with a goal of providing seamless coverage through the health benefit exchange and improving opportunities for families to be covered in the same health plans. The options must include the possibility of applying premiums for individuals and cost-sharing that may exceed the five percent of family income cap under federal law, and the options must include recommendations to make the targeted premium assistance program cost neutral. The authority shall submit a report on the options to the legislature and the governor by January 1, 2014. The authority is encouraged to be creative, use subject matter experts, and exhaust all possible options to achieve cost neutrality. The report shall also include a detailed plan and timeline. \$75,000 of the amounts appropriated in this subsection is provided solely for the development of options related to the federal basic health option. The authority shall prepare options for implementing the

federal basic health option as federal guidance becomes available. The authority shall submit a report on the options to the legislature and the governor by January 1, 2014, or ninety days following the release of federal guidance. The report must include a comparison of the premiums and cost-sharing under the federal basic health option with the premium assistance options described in this subsection, options for implementing the federal basic health option in combination with a premium assistance program, a detailed fiscal analysis for each coverage approach, including the estimated costs for system design and implementation, and information about impacted populations.

(b) Where possible, the authority shall leverage the same expert consultants to review each proposal and compare and contrast the approaches to ensure seamless coordination with the health benefit exchange.

(c) The authority shall collaborate with the joint select committee on health care oversight in the development of these options. (50) \$171,000 of the general fund--state appropriation for fiscal year 2015 and \$145,000 of the general fund--federal appropriation are provided solely to implement Second Substitute Senate Bill No. 6312 (mental health, chemical dependency) and Engrossed Second Substitute House Bill No. 2315 (suicide prevention). If Second Substitute Senate Bill No. 6312 (mental health, chemical dependency) is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(51) \$604,000 of the general fund--state appropriation for fiscal year 2014, \$597,000 of the general fund--state appropriation for fiscal year 2015, and \$18,320,000 of the general fund--federal appropriation are provided solely to implement Engrossed Second Substitute House Bill No. 2572 (health care purchasing, delivery). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(52) \$306,000 of the general fund--state appropriation for fiscal year 2015 and \$306,000 of the general fund--federal appropriation are provided solely to implement Substitute House Bill No. 2310 (provider safety equipment). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(53) \$390,000 of the general fund--state appropriation for fiscal year 2015 and \$3,510,000 of the general fund--federal appropriation are provided solely for medicaid clients to select the medicaid managed care organization of their choice within the Washington healthplanfinder online marketplace.

(54) \$561,000 of the general fund--state appropriation for fiscal year 2015, \$2,000 of the general fund--local appropriation, and \$693,000 of the general fund--federal appropriation are provided solely for the authority to add autism screenings for children age eighteen months beginning July 1, 2014.

(55) By December 1, 2014, the authority shall report to the legislative fiscal committees with options for reducing payments to hospital owned physician practices or clinics that are higher than the maximum resource based relative value scale fee rates received by nonhospital owned physician practices or clinics for the same procedures. The authority shall include options for exempting certain hospital owned clinics from the reductions and the fiscal impacts of those options. The authority shall not enter into or renew any contracts under RCW 74.60.160 that would restrict the authority's ability to implement any of these options in the 2015-2017 fiscal biennium.

(56) The appropriations to the authority in this act shall be expended for the purposes and in the amounts specified in this act. To the extent that appropriations in this section are insufficient to fund actual expenditures in excess of caseload forecasts and utilization assumptions, the authority, after May 1, 2014, may transfer general fund--state appropriations for fiscal year 2014 that are provided solely for a specified purpose. The authority shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

Sec. 214. 2013 2nd sp.s. c 4 s 214 (uncodified) is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

General Fund--State Appropriation (FY 2014)	(\$2,077,000)	\$2,059,000
General Fund--State Appropriation (FY 2015)	(\$1,996,000)	\$2,027,000
General Fund--Federal Appropriation	(\$2,185,000)	\$2,171,000
TOTAL APPROPRIATION	(\$6,258,000)	\$6,257,000

The appropriations in this section are subject to the following conditions and limitations: \$218,000 of the general fund--federal appropriation is provided for additional financial resources from the U.S. department of housing and urban development for the investigation of discrimination cases involving service animals.

Sec. 215. 2013 2nd sp.s. c 4 s 215 (uncodified) is amended to read as follows:

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account—

State Appropriation		\$10,000
Accident Account--State Appropriation	(\$19,763,000)	\$19,678,000
Medical Aid Account--State Appropriation	(\$19,763,000)	\$19,678,000
TOTAL APPROPRIATION	(\$39,536,000)	\$39,366,000

Sec. 216. 2013 2nd sp.s. c 4 s 216 (uncodified) is amended to read as follows:

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund--State Appropriation (FY 2014)	(\$14,257,000)	\$14,535,000
General Fund--State Appropriation (FY 2015)	(\$14,159,000)	\$14,062,000
General Fund--Private/Local Appropriation	(\$3,059,000)	\$4,380,000
Death Investigations Account--State Appropriation		\$148,000
Municipal Criminal Justice Assistance Account--		
State Appropriation		\$460,000
Washington Auto Theft Prevention Authority Account--		
State Appropriation		\$8,597,000

TOTAL APPROPRIATION ~~((\\$40,680,000))~~ \$42,182,000

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

(1) \$5,000,000 of the general fund--state appropriation for fiscal year 2014 and \$5,000,000 of the general fund--state appropriation for fiscal year 2015, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130.

(2) ~~((\\$340,000))~~ \$408,000 of the general fund--local appropriation is provided solely to purchase ammunition for the basic law enforcement academy. Jurisdictions shall reimburse to the criminal justice training commission the costs of ammunition, based on the average cost of ammunition per cadet, for cadets that they enroll in the basic law enforcement academy.

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

(4) \$100,000 of the general fund--state appropriation for fiscal year 2014 and \$100,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a school safety program. The commission, in collaboration with the school safety center advisory committee, shall provide the school safety training for all school administrators and school safety personnel hired after the effective date of this section.

(5) \$96,000 of the general fund--state appropriation for fiscal year 2014 and \$96,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the school safety center within the commission. The safety center shall act as an information dissemination and resource center when an incident occurs in a school district in Washington or in another state, coordinate activities relating to school safety, and review and approve manuals and curricula used for school safety models and training. Through an interagency agreement, the commission shall provide funding for the office of the superintendent of public instruction to continue to develop and maintain a school safety information web site. The school safety center advisory committee shall develop and revise the training program, using the best practices in school safety, for all school safety personnel. The commission shall provide research-related programs in school safety and security issues beneficial to both law enforcement and schools.

(6) \$123,000 of the general fund--state appropriation for fiscal year 2014 and \$123,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the costs of providing statewide advanced driving training with the use of a driving simulator.

(7) \$165,000 of the general fund--state appropriation for fiscal year 2014 and \$165,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for crisis intervention training for peace officers. The commission shall incorporate eight hours of crisis intervention curriculum into its basic law enforcement academy and shall offer an eight-hour in-service crisis intervention training course.

(8) \$35,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for a study to collect data on the number of reserve officers statewide. By December 31, 2014, the commission shall report to the legislature on the number of reserve peace officers who are employed at each local law enforcement agency in Washington.

(9) \$70,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the commission to design and initiate, in partnership with Seattle university criminal justice department, the first year of a five-year study to research the effectiveness of its crisis intervention training. By November 1, 2014, the commission shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that sets forth the proposed benchmarks and outcomes to be evaluated by the study. The commission shall provide an annual report of its evaluation to date by June 30th of each fiscal year during the study.

Sec. 217. 2013 2nd sp.s. c 4 s 217 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund--State Appropriation (FY 2014)	((\\$17,158,000))	<u>\$17,216,000</u>
General Fund--State Appropriation (FY 2015)	((\\$17,733,000))	<u>\$17,663,000</u>
General Fund--Federal Appropriation		\$11,876,000
Asbestos Account--State Appropriation	((\\$366,000))	<u>\$363,000</u>
Electrical License Account--State Appropriation	((\\$37,124,000))	<u>\$40,072,000</u>
Farm Labor Contractor Account--State Appropriation		\$28,000
Worker and Community Right-to-Know Account-- State Appropriation	((\\$903,000))	<u>\$897,000</u>
Public Works Administration Account-- State Appropriation	((\\$6,252,000))	<u>\$7,202,000</u>
Manufactured Home Installation Training Account-- State Appropriation	((\\$353,000))	<u>\$350,000</u>
Accident Account--State Appropriation	((\\$258,440,000))	<u>\$257,709,000</u>
Accident Account--Federal Appropriation		\$13,626,000
Medical Aid Account--State Appropriation	((\\$278,697,000))	<u>\$277,845,000</u>
Medical Aid Account--Federal Appropriation		\$3,186,000
Plumbing Certificate Account--State Appropriation	((\\$1,732,000))	<u>\$1,734,000</u>
Pressure Systems Safety Account-- State Appropriation	((\\$4,193,000))	<u>\$4,170,000</u>
TOTAL APPROPRIATION	((\\$651,667,000))	<u>\$653,937,000</u>

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase elevator fees by up to 13.1 percent during the 2013-2015 fiscal biennium. This increase is necessary to support expenditures authorized in this section, consistent with chapter 70.87 RCW.

(2) \$1,336,000 of the medical aid account--state appropriation is provided solely for implementation of Substitute Senate Bill No. 5362 (workers' compensation/vocational rehabilitation). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(3) \$279,000 of the public works administration account--state appropriation, \$4,000 of the medical aid account--state appropriation, and \$4,000 of the accident account--state appropriation are provided solely for implementation of Substitute House Bill No. 1420 (transportation improvement projects). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(4) (~~(\$104,000 of the general fund)~~) \$94,000 of the accident account--state appropriation (for fiscal year 2014) and (~~(\$104,000 of the general fund)~~) \$17,000 of the medical aid account--state appropriation (for fiscal year 2015) are provided solely to implement Substitute Senate Bill No. 5123 (farm (~~internships~~) internship program). If the bill is not enacted by June 30, (~~2013~~) 2014, the amount provided in this subsection shall lapse.

(~~(6)~~) (5) \$210,000 of the medical aid account--state appropriation and \$630,000 of the accident account--state appropriation are provided solely for the contract costs and one staff position at the department for the purpose of implementing the logging safety initiative in an effort to reduce the frequency and severity of injuries in manual, or nonmechanized, logging. The department shall reduce \$840,000 of workers compensation funding used for the safety and health investment project to maintain cost neutrality. Additional costs for the implementation of the logging safety initiative shall be accomplished by the department within existing resources to include the assignment of two full-time auditors specifically for this purpose. The department is directed to include \$420,000 of these costs in its calculation of workers' compensation premiums for the forest products industry for 2014, 2015, and 2016 rates. The department shall report to the legislature by December 31, 2014, an approach for using a third party safety certification vendor, accomplishments of the taskforce, accomplishments on this effort to-date, and future plans. The report must identify options for future funding and make recommendations for permanent funding for this program.

(6) \$132,000 of the accident account--state appropriation and \$130,000 of the medical aid account--state appropriation are provided solely to implement Substitute Senate Bill No. 5360 (unpaid wages collection). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

Sec. 218. 2013 2nd sp.s. c 4 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund--State Appropriation (FY 2014)	(\$1,996,000)	<u>\$1,995,000</u>
General Fund--State Appropriation (FY 2015)	(\$1,900,000)	<u>\$1,878,000</u>
Charitable, Educational, Penal, and Reformatory Institutions Account--State Appropriation		\$10,000
TOTAL APPROPRIATION	(\$3,906,000)	<u>\$3,883,000</u>

(2) FIELD SERVICES

General Fund--State Appropriation (FY 2014)	(\$5,340,000)	<u>\$5,348,000</u>
General Fund--State Appropriation (FY 2015)	(\$5,316,000)	<u>\$5,305,000</u>
General Fund--Federal Appropriation	(\$3,455,000)	<u>\$3,442,000</u>
General Fund--Private/Local Appropriation	(\$4,418,000)	<u>\$4,523,000</u>
Veteran Estate Management Account— Private/Local Appropriation	(\$1,104,000)	<u>\$1,098,000</u>
TOTAL APPROPRIATION	(\$19,633,000)	<u>\$19,716,000</u>

The appropriations in this subsection are subject to the following conditions and limitations: \$300,000 of the general fund--state appropriation for fiscal year 2014 and \$300,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to provide crisis and emergency relief and education, training, and employment assistance to veterans and their families in their communities through the veterans innovation program.

(3) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2014)	(\$102,000)	<u>\$239,000</u>
General Fund--State Appropriation (FY 2015)	(\$20,000)	<u>\$156,000</u>
General Fund--Federal Appropriation	(\$68,981,000)	<u>\$69,188,000</u>
General Fund--Private/Local Appropriation	(\$39,355,000)	<u>\$25,447,000</u>
TOTAL APPROPRIATION	(\$108,458,000)	<u>\$95,030,000</u>

Sec. 219. 2013 2nd sp.s. c 4 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund--State Appropriation (FY 2014)	(\$60,230,000)	<u>\$59,915,000</u>
General Fund--State Appropriation (FY 2015)	(\$59,198,000)	<u>\$62,889,000</u>
General Fund--Federal Appropriation	(\$536,074,000)	<u>\$534,989,000</u>
General Fund--Private/Local Appropriation	(\$139,455,000)	<u>\$139,011,000</u>
Hospital Data Collection Account--State Appropriation	(\$222,000)	<u>\$221,000</u>
Health Professions Account--State Appropriation	(\$104,722,000)	<u>\$105,228,000</u>
Aquatic Lands Enhancement Account--State Appropriation		\$604,000
Emergency Medical Services and Trauma Care Systems Trust Account--State Appropriation	(\$12,319,000)	<u>\$11,194,000</u>
Safe Drinking Water Account--State Appropriation	(\$5,267,000)	<u>\$5,233,000</u>
Drinking Water Assistance Account— Federal Appropriation	(\$14,806,000)	<u>\$14,697,000</u>
Waterworks Operator Certification— State Appropriation	(\$1,560,000)	<u>\$1,554,000</u>
Drinking Water Assistance Administrative Account--		

State Appropriation	((339,000))	<u>\$336,000</u>
Site Closure Account--State Appropriation	((159,000))	<u>\$158,000</u>
Biotoxin Account--State Appropriation		<u>\$1,323,000</u>
State Toxics Control Account--State Appropriation	((3,949,000))	<u>\$3,913,000</u>
Medical Test Site Licensure Account—		
State Appropriation	((4,737,000))	<u>\$4,722,000</u>
Youth Tobacco Prevention Account--State Appropriation		<u>\$1,512,000</u>
Public Health Supplemental Account—		
Private/Local Appropriation		<u>\$3,236,000</u>
Accident Account--State Appropriation	((304,000))	<u>\$302,000</u>
Medical Aid Account--State Appropriation		<u>\$50,000</u>
Medicaid Fraud Penalty Account—State Appropriation		<u>\$987,000</u>
TOTAL APPROPRIATION	((951,053,000))	<u>\$952,074,000</u>

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

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

(b) The joint administrative rules review committee shall review the new or amended rules pertaining to primary and secondary school facilities under (a) of this subsection. The review committee shall determine whether (i) the rules are within the intent of the legislature as expressed by the statute that the rule implements, (ii) the rule has been adopted in accordance with all applicable provisions of law, or (iii) that the agency is using a policy or interpretive statement in place of a rule. The rules review committee shall report to the appropriate policy and fiscal committees of the legislature the results of committee's review and any recommendations that the committee deems advisable.

(2) In accordance with RCW 43.70.250 and 43.135.055, the department is authorized to establish and raise fees in fiscal year 2014 as necessary to meet the actual costs of conducting business and the appropriation levels in this section. This authorization applies to fees required for newborn screening, and fees associated with the following professions: Agency affiliated counselors; certified counselors; and certified advisors.

(3) \$150,000 of the state toxics control account--state appropriation is provided solely to provide water filtration systems for low-income households with individuals at high public health risk from nitrate-contaminated wells in the lower Yakima basin.

(4)(a) \$64,000 of the medicaid fraud penalty account--state appropriation is provided solely for the department to integrate the prescription monitoring program into the coordinated care electronic tracking program developed in response to section 213, chapter 7, Laws of 2012, 2nd sp. sess., commonly referred to as the seven best practices in emergency medicine.

(b) The integration must provide prescription monitoring program data to emergency department personnel when the patient registers in the emergency department. Such exchange may be a private or public joint venture, including the use of the state health information exchange.

(c) As part of the integration, the department shall request insurers and third-party administrators that provide coverage to residents of Washington state to provide the following to the coordinated care electronic tracking program:

(i) Any available information regarding the assigned primary care provider, and the primary care provider's telephone and fax numbers. This information is to be used for real-time communication to an emergency department provider when caring for a patient; and

(ii) Information regarding any available care plans or treatment plans for patients with higher utilization of services on a regular basis. This information is to be provided to the treating provider.

(5) ~~((270,000))~~ \$180,000 of the general fund--state appropriation for fiscal year 2014 ~~((is))~~ and \$150,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington autism alliance to assist autistic individuals and families with autistic children during the transition to federal health reform.

(6) \$6,000 of the general fund--state appropriation for fiscal year 2014 and \$5,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the department to convene a work group to study and recommend language for standardized clinical affiliation agreements for clinical placements associated with the education and training of physicians licensed under chapter 18.71 RCW, osteopathic physicians and surgeons licensed under chapter 18.57 RCW, and nurses licensed under chapter 18.79 RCW. The work group shall develop one recommended standardized clinical affiliation agreement for each profession or one recommended standardized clinical affiliation agreement for all three professions.

(a) When choosing members of the work group, the department shall consult with the health care personnel shortage task force and shall attempt to ensure that the membership of the work group is geographically diverse. The work group must, at a minimum, include representatives of the following:

(i) Two-year institutions of higher education;

(ii) Four-year institutions of higher education;

(iii) The University of Washington medical school;

(iv) The college of osteopathic medicine at the Pacific Northwest University of Health Sciences;

- (v) The health care personnel shortage task force;
 - (vi) Statewide organizations representing hospitals and other facilities that accept clinical placements;
 - (vii) A statewide organization representing physicians;
 - (viii) A statewide organization representing osteopathic physicians and surgeons;
 - (ix) A statewide organization representing nurses;
 - (x) A labor organization representing nurses; and
 - (xi) Any other groups deemed appropriate by the department in consultation with the health care personnel shortage task force.
- (b) The work group shall report its findings to the governor and the appropriate standing committees of the legislature no later than November 15, 2014.

(7) \$65,000 of the general fund--state appropriation for fiscal year 2014 and \$65,000 of the general fund--state appropriation for fiscal year 2015 are for the midwifery licensure and regulatory program to supplement revenue from fees. The department shall charge no more than five hundred twenty-five dollars annually for new or renewed licenses for the midwifery program.

(8) During the 2013-2015 fiscal biennium, each person subject to RCW 43.70.110(3)(c) is required to pay only one surcharge of up to twenty-five dollars annually for the purposes of RCW 43.70.112, regardless of how many professional licenses the person holds.

(9) \$654,000 of the health professions account--state appropriation is provided solely for the implementation of Engrossed Senate Bill No. 5206 (health sciences library). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(10) \$35,000 of the health professions account--state appropriation is provided solely for the implementation of House Bill No. 1003 (health professions licensees). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(11) \$10,000 of the health professions account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1270 (board of denturists). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(12) \$10,000 of the health professions account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1271 (denturism). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(13) \$11,000 of the health professions account--state appropriation is provided solely for the implementation of House Bill No. 1330 (dental hygienists, assistants). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~(14) (\$1,008,000 of the health professions account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1343 (nurses surcharge). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.~~

~~(15))~~ (15) \$34,000 of the health professions account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1376 (suicide assessment training). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~((16))~~ (15) \$10,000 of the health professions account--state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1515 (medical assistants). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~((17))~~ (16) \$2,185,000 of the health professions account--state appropriation is provided solely for the implementation of Second Substitute House Bill No. 1518 (disciplinary authorities). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~((18))~~ (17) \$141,000 of the general fund--private/local appropriation is provided solely for the implementation of Substitute House Bill No. 1525 (birth certificates). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~((19))~~ (18) \$220,000 of the health professions account--state appropriation is provided solely for the implementation of House Bill No. 1534 (impaired dentist program). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~((20))~~ (19) \$51,000 of the health professions account--state appropriation is provided solely for the implementation of House Bill No. 1609 (board of pharmacy). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~((21))~~ (20) \$12,000 of the health professions account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1629 (home care aide continuing education). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~((22))~~ (21) \$18,000 of the health professions account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1737 (physician assistants). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~((23))~~ (22) \$77,000 of the general fund--state appropriation for fiscal year 2014 and \$38,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to develop a report on state efforts to prevent and control diabetes. The department, the health care authority, and the department of social and health services shall submit a coordinated report to the governor and the appropriate committees of the legislature by December 31, 2014, on the following:

(a) The financial impacts and reach that diabetes of all types and undiagnosed gestational diabetes are having on the programs administered by each agency and individuals, including children with mothers with undiagnosed gestational diabetes, enrolled in those programs. Items in this assessment must include: (i) The number of lives with diabetes and undiagnosed gestational diabetes impacted or covered by the programs administered by each agency; (ii) the number of lives with diabetes, or at risk for diabetes, and family members impacted by prevention and diabetes control programs implemented by each agency; (iii) the financial toll or impact diabetes and its complications, and undiagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs in comparison to other chronic diseases and conditions; and (iv) the financial toll or impact diabetes and its complications, and diagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs;

(b) An assessment of the benefits of implemented and existing programs and activities aimed at controlling all types of diabetes and preventing the disease. This assessment must also document the amount and source for any funding directed to each agency for the programs and activities aimed at reaching those with diabetes of all types;

(c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all types of diabetes and its complications;

(d) The development or revision of detailed policy-related action plans and budget recommendations for battling diabetes and undiagnosed gestational diabetes that includes a range of actionable items for consideration by the legislature. The plans and budget recommendations must identify proposed action steps to reduce the impact of diabetes, prediabetes, related diabetes complications, and undiagnosed gestational diabetes. The plans and budget recommendations must also identify expected outcomes of the action steps proposed in the following biennium while also establishing benchmarks for controlling and preventing all types of diabetes; and

(e) An estimate of savings, efficiencies, costs, and budgetary savings and resources required to implement the plans and budget recommendations identified in (d) of this subsection (23).

~~((24))~~ (23) Within the general fund--state amounts appropriated in this section, the department of health will develop and administer the certified home care aide examination translated into at least seven languages in addition to the languages in which the examination is available on the effective date of this act. The purpose of offering the examination in additional languages is to encourage an adequate supply of certified home care aides to meet diverse long-term care client needs.

(24)(a) \$350,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the department of health to support Washington's healthiest next generation efforts by partnering with the office of the superintendent of public instruction, department of early learning, and other public and private partners as appropriate to do the following:

(i) Expand programs across Washington that have demonstrated success in increasing physical activity and access to healthy food and drinking water;

(ii) Provide toolkits and mentoring for early learning and school professionals with strategies to encourage children to be active, eat healthy food, and have access to drinking water;

(iii) Enhance performance standards for the early childhood education and assistance program to include best practices on healthy eating and physical activity, nutrition education activities in written curriculum plans, and the incorporation of healthy eating, physical activity, and screen time education into parent education;

(iv) Revise statewide guidelines for schools for quality health and fitness education; and

(v) Establish performance metrics.

(b) The department shall collaborate with the governor or the governor's designee, chairs or designees of the appropriate legislative committees, the state agencies listed in (a) of this subsection, other necessary state or local agencies and private businesses, and community organizations or individuals with expertise in child health, nutrition, and fitness to submit reports to the governor and the appropriate committees of the legislature by December 31, 2014, and June 30, 2015, that include:

(i) An update and a summary of the current and expected impacts of the activities listed in (a) of this subsection;

(ii) An identification and description of other programs designed to prevent childhood obesity, including programs with a focus on reducing child-related health disparities in specific population groups and programs for preventing and stopping tobacco and substance use; and

(iii) An analysis and identification of potential programs, policy, and funding recommendations for consideration by the legislature.

(25) \$68,000 of the health professions account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 2160 (physical therapists). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(26) \$251,000 of the health professions account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 2315 (suicide prevention). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(27)(a) Within the appropriations provided in this section, the department shall update its hepatitis C strategic plan for the state to include recommended actions pertaining to, at a minimum:

(i) Using prevalence data to determine the number of undiagnosed hepatitis C patients in the state;

(ii) How to best reach undiagnosed patients, with special consideration to people born between 1945 and 1965, and new infections;

(iii) The status of the more than sixty thousand state residents who have already been diagnosed with hepatitis C;

(iv) A framework for improving hepatitis C testing and linkage to medical care; and

(v) A framework for the prevention of hepatitis C.

(b) The department of health shall present its updated strategic hepatitis C plan to the appropriate committees of the legislature by September 15, 2014.

(28) Moneys appropriated in this section are sufficient to maintain and operate the marine biotoxin information hotline and the department shall not suspend or reduce its operation.

(29) \$1,500,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for tobacco, marijuana, and e-cigarette prevention activities that serve youth and populations with a high incidence of smoking. For activities that serve youth, the department must partner with the office of the superintendent of public instruction to fund effective tobacco, marijuana, and e-cigarette prevention programs at middle and high schools. For activities that serve populations with a high incidence of smoking, the department must contract with community based organizations that serve populations that have a high incidence of smoking tobacco, marijuana, or e-cigarettes. The legislature intends to fund tobacco and e-cigarette prevention programs in future biennia based on the Washington state institute for public policy report in section 609 of this act. The department shall work with the institute and shall develop a budget request for the 2015-2017 fiscal biennium based on the institute's report.

(30) \$2,143,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the implementation of Engrossed Third Substitute Senate Bill No. 5887 (medical and recreational marijuana). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

Sec. 220. 2013 2nd sp.s. c 4 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

The appropriations to the department of corrections in this act must be expended for the programs and in the amounts specified in this section. However, after May 1, 2014, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2014 between programs. The department may not transfer funds, and the director of financial management may not approve the transfer, unless the transfer is consistent with the objective of

conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any deviations from appropriation levels. The written notification must include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2014)	((56,437,000))	<u>\$56,330,000</u>
General Fund--State Appropriation (FY 2015)	((54,779,000))	<u>\$54,430,000</u>
Data Processing Revolving Account—State Appropriation		\$1,249,000
TOTAL APPROPRIATION	((112,465,000))	<u>\$112,009,000</u>

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

(a) \$35,000 of the general fund--state appropriation for fiscal year 2014 and \$35,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will investigate and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at-risk of offending, including their mental health, physiological, housing, employment, and job training needs.

(b) \$150,000 of the general fund--state appropriation for fiscal year 2014 and \$75,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the department to contract with a consultant who can facilitate and provide project expertise on the implementation of community and prison based offender programming that follows the risk-needs-responsivity model.

(i) By September 1, 2013, the department shall provide to the consultant an inventory of all existing programming both in prisons and in community operations. The department shall consult with the Washington state institute for public policy (WSIPP) to determine whether programs are evidence-based or research-based using definitions provided by WSIPP and shall include this information on the inventory.

(ii) By ~~((October 1, 2013))~~ March 1, 2014, the consultant shall report to the department, the office of financial management, and legislative fiscal committees on the department's current plans and processes for managing offender programming including processes for phasing-out ineffective programs and implementing evidence-based or research-based programs. All department programs should be considered by the consultant regardless of whether they are included on the most recent list of WSIPP approved identifiable evidence-based practices in (b)(i) of this subsection.

(iii) The WSIPP, in consultation with the department, shall systematically review selected programs to determine the effectiveness of these programs at reducing recidivism or other outcomes. The WSIPP shall conduct a benefit-cost analysis of these programs when feasible and shall report to the legislature by December 1, 2013.

(iv) Based on the report provided by the consultant and the WSIPP review of programs, the department shall work collaboratively with the consultant to develop and complete a written comprehensive implementation plan by ~~((January 15, 2014))~~ June 30, 2014. The implementation plan must clearly identify the types of programs to be included, the recommended locations where the programs will be sited, an implementation timeline, and a phasing of the projected number of participants needed to meet the threshold of available program funds.

(v) Using the written implementation plan as a guide, the department must have programs in place and fully phased-in no later than ~~((June 30, 2015))~~ January 1, 2016.

(vi) The department shall hold the consultant on retainer to assist the department as needed throughout the implementation process. The consultant shall review quarterly the actual implementation compared to the written implementation plan and shall provide a report to the secretary of the department. The department shall provide reports to the office of financial management and legislative fiscal committees as follows:

(A) The written comprehensive implementation plan shall be provided by ~~((January 15, 2014))~~ July 15, 2014; and

(B) Written progress updates shall be provided by ~~((July))~~ December 1, 2014, and by ~~((December 1, 2014))~~ June 1, 2015.

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2014)	((605,039,000))	<u>\$594,207,000</u>
General Fund--State Appropriation (FY 2015)	((604,704,000))	<u>\$594,052,000</u>
General Fund--Federal Appropriation	((3,322,000))	<u>\$3,356,000</u>
Washington Auto Theft Prevention Authority Account-- State Appropriation	((7,585,000))	<u>\$7,582,000</u>
Environmental Legacy Stewardship Account-- State Appropriation		\$105,000
County Criminal Justice Assistance Account-- State Appropriation		\$390,000
TOTAL APPROPRIATION	((1,221,145,000))	<u>\$1,199,692,000</u>

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

(a) During the 2013-2015 fiscal biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account.

(b) \$501,000 of the general fund--state appropriation for fiscal year 2014 and \$501,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the department to maintain the facility, property, and assets at the institution formerly known as

the maple lane school in Rochester. The department may not house incarcerated offenders at the maple lane site until specifically directed to do so by the legislature.

(c) By ~~((December 1, 2013))~~ March 31, 2014, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's inmate intake processes and expenditures and makes recommendations for improvements. The evaluation must include an analysis of lean management processes that, if adopted, could improve the efficiency and cost effectiveness of inmate intake.

(d) By December 1, 2013, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's use of partial confinement and work release programs and makes recommendations for improving public safety and decreasing recidivism through increasing participation in partial confinement re-entry and work release programs. In making its recommendations, the department shall identify:

(i) Options for increasing the capacity of work release beds to meet the number of eligible offenders;

(ii) Potential cost savings to the state through contracting for or building new work release capacity;

(iii) Options for expanding eligibility for partial confinement, including creation of a structured re-entry program that includes stable housing, mandatory participation in evidence-based programs, and intensive supervision; and

(iv) Potential cost savings to the state from creation of a structured re-entry program.

(e) By December 1, 2013, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's community parenting alternative program, and makes recommendations for increasing participation in the program with the goals of increasing public safety and decreasing recidivism. The evaluation shall include recommendations for increasing the placement of eligible offenders into the program and increasing eligibility to other populations. In making its recommendations, the department shall identify the percent of the eligible population currently entering the program, outcomes to-date for program participants, and potential cost savings from increasing placement of offenders into the program.

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

(g)(i) The legislature finds that it has taken several steps to mitigate the demand for prison capacity including funding evidence-based programming for offenders which is proven to reduce recidivism, funding evidence-based treatment alternatives to incarceration for drug-addicted offenders, standardizing inconsistencies in the drug sentencing grid, and authorizing the department to rent local jail beds. These steps will also assist the department's implementation of additional operational efficiencies by reducing costs related to offender intake, processing, and transportation.

(ii) Up to \$1,119,000 of the general fund--state appropriation for fiscal year 2014 and up to \$1,322,000 of the general fund--state appropriation for fiscal year 2015 may be used by the department to rent jail capacity for short-term offenders. In contracting for jail beds for short-term offenders, the department shall rent capacity from local and tribal governments to house offenders with an earned release date of less than one hundred twenty days remaining on his or her sentence at the time the offender would otherwise be transferred to a state correctional facility. The contracted daily costs for these offenders shall not exceed \$70 per offender including medical costs.

(h) The department of corrections shall issue a competitive solicitation by August 1, 2013, to contract with local jurisdictions for the use of inmate bed capacity in lieu of prison beds operated by the state. The department may contract for up to 300 beds statewide to the extent that it is at no net cost to the department. The department shall calculate and report the average cost per offender per day, inclusive of all services, on an annual basis for a facility that is representative of average medium or lower offender costs. The duration of the contracts may be for up to four years. The department shall not pay a rate greater than \$65 per day per offender for all costs associated with the offender while in the local correctional facility to include programming and health care costs, or the equivalent of \$65 per day per bed including programming and health care costs for full units. The capacity provided at local correctional facilities must be for offenders whom the department of corrections defines as medium or lower security offenders. Programming provided for inmates held in local jurisdictions is included in the rate, and details regarding the type and amount of programming, and any conditions regarding transferring offenders will 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 will 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 will be the responsibility of the jail. The department will report to legislative fiscal committees and the office of financial management by November 1, 2013, to provide a status update on implementation.

(i) The department shall convene a work group to develop health care cost containment strategies at local jail facilities. The work group shall identify cost containment strategies in place at the department and at local jail facilities, identify the costs and benefits of implementing strategies in jail health-care facilities, and make recommendations on implementing beneficial strategies. The work group shall submit a report on its findings and recommendations to the fiscal committees of the legislature by October 1, 2013. The work group shall include jail administrators, representatives from health care facilities at the local jail level and the state prisons level, and other representatives as deemed necessary.

(j) ~~((\$1,026,000))~~ \$526,000 of the general fund--state appropriation for fiscal year 2014 and \$781,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to expand the piloted risk-needs-responsivity model to include the use of cognitive behavioral therapy with evidence-based programming at two minimum security prison facilities and at the Monroe correctional complex.

(k) ~~((\$23,653,000))~~ \$23,453,000 of the general fund--state appropriation for fiscal year 2014 and \$24,919,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for offender programming. Pursuant to section 220(1) of this act, the department shall develop and implement a written comprehensive plan for offender programming that prioritizes programs which follow

the risk-needs-responsivity model, are evidence-based, and have measurable outcomes. The department is authorized to discontinue ineffective programs and to repurpose underspent funds according to the priorities in the written plan.

(l) \$36,000 of the general fund--state appropriation for fiscal year 2014 and \$36,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Senate Bill No. 5484 (assault in the third-degree). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(m) \$48,000 of the general fund--state appropriation for fiscal year 2014 and \$48,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Substitute House Bill No. 1383 (stalking protection orders). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(n) \$36,000 of the general fund--state appropriation for fiscal year 2014 and \$36,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of Senate Bill No. 5149 (crimes against pharmacies). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(o) \$24,000 of the general fund--state appropriation for fiscal year 2014 and \$24,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Substitute Senate Bill No. 5669 (trafficking). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(p) \$24,000 of the general fund--state appropriation for fiscal year 2014 and \$24,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Senate Bill No. 5053 (vehicle prowling). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(q) \$96,000 of the county criminal justice assistance--state appropriation is provided solely for implementation of Engrossed Senate Bill No. 5105 (rental vouchers for offenders). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(r) \$94,000 of the general fund--state appropriation for fiscal year 2014, and \$1,494,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the department to contract with Yakima county for the use of female inmate bed capacity in lieu of prison beds operated by the state. The department shall rent jail beds through contracts established under (h) of this subsection to house female offenders beginning no later than May 1, 2014.

(s) The department shall assess possible uses for the Yakima county jail facility, including but not limited to, housing for short-term offenders; housing for community supervision violators or absconders; housing for offenders with special program needs such as offenders with mental health issues; and housing for older or infirm offenders. The department shall report to the appropriate policy and fiscal committees of the legislature by December 1, 2014, with findings, cost estimates, and recommendations for the use of the facility.

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2014)	(\$130,568,000)	\$148,788,000
General Fund--State Appropriation (FY 2015)	(\$131,973,000)	\$151,715,000
County Criminal Justice Assistance Account--State		\$2,249,000
Ignition Interlock Device Revolving Account--State		\$2,200,000
TOTAL APPROPRIATION	(\$266,990,000)	\$304,952,000

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

(a) \$1,906,000 of the county criminal justice assistance account--state appropriation and \$2,200,000 of the ignition interlock device revolving account--state appropriation are provided solely for the department to contract for additional residential drug offender sentencing alternative treatment slots. By December 1, 2013, the department shall provide a report to the appropriate fiscal committees of the house of representatives and the senate on the use of the additional treatment slots.

(b) \$4,186,000 of the general fund--state appropriation for fiscal year 2014 and \$6,362,000 of the general fund--state appropriation for fiscal year 2015 must be expended on evidence-based programs that follow the risk-needs-responsivity model. The department is authorized to use up to ten percent of these funds as necessary to secure physical space as needed to maximize program delivery of evidence-based treatment to all high-risk, high-need offenders in community supervision. Funding may be prioritized by the department to any program recognized as evidence-based for adult offenders by the Washington state institute for public policy.

(c) ~~(\$16,513,000)~~ \$15,363,000 of the general fund--state appropriation for fiscal year 2014 and \$16,527,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for offender programming. Pursuant to section 220 (1) of this act, the department shall develop and implement a written comprehensive plan for offender programming that prioritizes programs which follow the risk-needs-responsivity model, are evidence-based, and have measurable outcomes. The department is authorized to discontinue ineffective programs and to repurpose underspent funds according to the priorities in the written plan.

(d) \$107,000 of the county criminal justice--state appropriation is provided solely for implementation of Engrossed Senate Bill No. 5105 (rental vouchers for offenders). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(e) Within the amounts provided in this section, funding is sufficient to implement Senate Bill No. 6327 (expanding the categories of offenses eligible for the community parenting alternative program within the department of corrections).

(4) CORRECTIONAL INDUSTRIES

General Fund--State Appropriation (FY 2014)	(\$6,780,000)	\$6,830,000
General Fund--State Appropriation (FY 2015)	(\$7,182,000)	\$7,174,000
TOTAL APPROPRIATION	(\$13,962,000)	\$14,004,000

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

(a) \$3,293,000 of the general fund--state appropriation for fiscal year 2014 and \$3,707,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the stewardship of McNeil island. The department shall assume responsibility of all island maintenance excluding site specific maintenance operations for the special commitment center and the Pierce county secure transitional facility. The department shall as part of its industries program provide job skills to offenders while providing the minimum

maintenance and preservation necessary for the state to remain in compliance with the federal deed for McNeil island. The department shall report on efficiencies and potential cost reductions to the office of financial management and legislative fiscal committees by December 15, 2013.

(b)(i) The department of social and health services shall transfer the stewardship of McNeil Island to the department of corrections industries program, effective September 1, 2013. The transferred responsibilities shall include marine operations, waste water treatment, water treatment, road maintenance, and any other general island maintenance that is not site specific to the operations of the special commitment center or the Pierce county secure community transition facility. Facility maintenance within the perimeter of the special commitment center shall remain the responsibility of the department of social and health services. Capital repairs and maintenance necessary to maintain the special commitment center on McNeil Island shall be managed by the department of social and health services. The legislature directs both departments to enter into an interagency agreement by August 1, 2013. The office of financial management shall oversee the negotiations of the interagency agreement. The interagency agreement must describe equipment that will transfer between the departments, warehouse space that will be shared by the departments, and occupancy requirements for any shops outside the perimeter of the special commitment center. The office of financial management will make the final determination on any disagreements between the departments on the details of the interagency agreement.

(ii) All employees of the department of social and health services engaged in performing the powers, functions, and duties transferred to the department of corrections industries program under this subsection, are transferred to the department of corrections.

(iii) All classified employees of department of social and health services assigned to the department of corrections under this subsection whose positions are within an existing bargaining unit description at the department of corrections shall become a part of the existing bargaining unit at the department of corrections and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

(5) INTERAGENCY PAYMENTS

General Fund--State Appropriation (FY 2014)	(\$35,345,000)	<u>\$41,667,000</u>
General Fund--State Appropriation (FY 2015)	(\$32,115,000)	<u>\$38,200,000</u>
TOTAL APPROPRIATION	(\$67,460,000)	<u>\$79,867,000</u>

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

Sec. 221. 2013 2nd sp.s. c 4 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund--State Appropriation (FY 2014)	(\$2,242,000)	<u>\$2,225,000</u>
General Fund--State Appropriation (FY 2015)	(\$2,197,000)	<u>\$2,182,000</u>
General Fund--Federal Appropriation	(\$21,060,000)	<u>\$20,937,000</u>
General Fund--Private/Local Appropriation		\$60,000
TOTAL APPROPRIATION	(\$25,559,000)	<u>\$25,404,000</u>

Sec. 222. 2013 2nd sp.s. c 4 s 222 (uncodified) is amended to read as follows:

FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund--Federal Appropriation	(\$269,977,000)	<u>\$269,546,000</u>
General Fund--Private/Local Appropriation	(\$34,206,000)	<u>\$34,095,000</u>
Unemployment Compensation Administration Account--		
Federal Appropriation	(\$320,006,000)	<u>\$330,594,000</u>
Administrative Contingency Account--		
State Appropriation	(\$22,728,000)	<u>\$17,872,000</u>
Employment Service Administrative Account--		
State Appropriation	(\$35,567,000)	<u>\$41,451,000</u>
TOTAL APPROPRIATION	(\$682,484,000)	<u>\$693,558,000</u>

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

(1) \$5,000,000 of the unemployment compensation administration account--federal appropriation is from amounts made available to the state by section 903(g) of the social security act (Reed act). This amount is provided solely for continuing current unemployment insurance functions and department services to employers and job seekers.

(2) ~~(\$12,386,000)~~ \$23,585,000 of the unemployment compensation administration account--federal appropriation is from amounts made available to the state by section 903(g) of the social security act (Reed act). This amount is provided solely for the replacement of the unemployment insurance tax information system for the employment security department. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) \$3,735,000 of the unemployment compensation account--federal appropriation is from amounts made available to the state by section 903(g) of the social security act (Reed act). This amount is provided solely for the replacement of call center technology to improve the integration of the telephone and computing systems to increase efficiency and improve customer service.

(4) \$182,000 of the employment services administrative account--state appropriation is provided for costs associated with the second stage of the review and evaluation of the training benefits program as directed in section 15(2), chapter 4, Laws of 2011 (unemployment insurance program). This second stage shall be developed and conducted by the joint legislative audit and review committee and shall consist of further work on the process study and net-impact/cost-benefit analysis components of the evaluation.

(5) \$240,000 of the administrative contingency account--state appropriation is provided solely for the employment security department to contract with a center for workers in King county. The amount appropriated in this subsection shall be used by the

contracted center for workers to support initiatives that generate high-skill, high-wage jobs; improve workforce and training systems; improve service delivery for dislocated workers; and build alliances with community and environmental organizations.

(6) The department is prohibited from expending amounts appropriated in this section for implementation of chapter 49.86 RCW.

(7) The employment security department shall collaborate with the workforce training and education coordinating board, the state board for community and technical colleges, the economic service administration, and the local workforce development councils to coordinate a consolidated report on short-term and long-term employment and training related outcomes and funding of WorkFirst and workforce investment act Title IB workforce training programs, including but not limited to the information described in this subsection. The employment security department shall prepare a single report and submit it to the governor and appropriate committees of the legislature by December 1, 2014. Specifically:

(a) The state board for community and technical colleges and the economic services administration shall report jointly on training outcomes for WorkFirst funded programs by activity (basic education, vocational education iBest, life skills, and any other related activities that are provided for WorkFirst clients), including but not limited to:

(i) The number and percent of individuals that complete educational activities;

(ii) The number and percent of individuals employed within one quarter after program completion and their median quarterly hours and wage and median annualized earnings;

(iii) The number and percent of individuals employed within three quarters after program completion and their median quarterly hours and wage and median annualized earnings;

(iv) The number of students enrolled in certificate programs by certificate type;

(v) The number of students who accumulate at least forty-five credits and a college award; and

(vi) The amount of WorkFirst funds spent.

The report shall also include recommendations for improving student retention and completion rates and any other system improvement recommendations.

(b) The employment security department shall work with the workforce training and education coordinating board, the state board for community and technical colleges, and the local workforce development councils to map the flow of federal workforce investment act funds from initial receipt by the employment security department to final expenditure. The report must include:

(i) The total amount spent on direct training provided by the community and technical colleges from workforce investment act funds;

(ii) The total amount spent by the employment security department on direct service provision;

(iii) The number of students who enroll in certificate programs;

(iv) The number and percent of students who earn certificates; and

(v) The number and percent of students who accumulate at least forty-five credits and an industry recognized credential.

(8) \$3,809,000 of the unemployment compensation administration account--federal appropriation is from amounts made available to the state by section 903(g) of the social security act (Reed act). This amount is provided solely for the replacement of the unemployment insurance benefit system for the employment security department. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(9) \$50,000 of the administrative contingency account--state appropriation is provided solely for the employment security department to convene and provide support to a work group on agricultural and agricultural labor-related issues.

(a) The goals of the work group are the following:

(i) To educate participants on relevant areas of regulation, business practices, and other labor issues of interest to the stakeholders in Washington agriculture;

(ii) To identify labor-related issues of importance to participants, including but not limited to, housing, workplace standards, and agricultural labor supply; and

(iii) To foster substantive, respectful, problem-solving oriented communication among stakeholders in and affected by the agricultural industry on the identified issues.

(b) The work group is charged with finding mutual points of interest and concern and with collaborating to find, where possible, administrative solutions to issues affecting agriculture.

(c) The work group must consist of ten members appointed by the governor with balanced and diverse representation that must include representatives from growers, agricultural industries, farmworker advocates, and labor.

(d) State agencies including the department of agriculture, the employment security department, the department of labor and industries, the department of health, and the commission on Hispanic affairs must each identify a representative to participate on the work group as an ex officio member. The work group may invite other agencies to participate as needed.

(e) The employment security department must coordinate no more than six meetings in 2014, with the final number of meetings to be determined by the work group.

(f) The work group may use a facilitator to assist the group in achieving the goals in (a) of this subsection.

(g) The employment security department must submit a report by December 1, 2014, to the office of financial management and to the appropriate fiscal and policy committees of the legislature. The report must include the following:

(i) The list of work group members;

(ii) The list of issues identified by the work group; and

(iii) Any work plan, recommendations, or actions taken that have been agreed upon by the work group.

(h) Work group members are entitled to be reimbursed for travel expenses under RCW 43.03.050, 43.03.060, and 43.03.049.

(End of part)

PART III NATURAL RESOURCES

Sec. 301. 2013 2nd sp.s. c 4 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 2014)	((445,000))	<u>\$442,000</u>
General Fund--State Appropriation (FY 2015)	((446,000))	<u>\$450,000</u>
General Fund--Federal Appropriation		<u>\$31,000</u>
General Fund--Private/Local Appropriation	((874,000))	<u>\$875,000</u>
TOTAL APPROPRIATION	((1,796,000))	<u>\$1,798,000</u>

Sec. 302. 2013 2nd sp.s. c 4 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2014)	((25,929,000))	<u>\$25,942,000</u>
General Fund--State Appropriation (FY 2015)	((25,506,000))	<u>\$25,065,000</u>
General Fund--Federal Appropriation	((105,230,000))	<u>\$102,926,000</u>
General Fund--Private/Local Appropriation	((16,912,000))	<u>\$16,857,000</u>
Reclamation Account--State Appropriation	((3,735,000))	<u>\$3,982,000</u>
Flood Control Assistance Account—		
State Appropriation	((1,985,000))	<u>\$1,976,000</u>
State Emergency Water Projects Revolving Account—		
State Appropriation		\$40,000
Waste Reduction/Recycling/Litter Control—		
State Appropriation	((9,722,000))	<u>\$9,689,000</u>
State Drought Preparedness Account--State Appropriation		\$204,000
State and Local Improvements Revolving Account(Water Supply Facilities)—		
State Appropriation	((426,000))	<u>\$423,000</u>
Environmental Legacy Stewardship Account—		
State Appropriation	((43,748,000))	<u>\$44,852,000</u>
Aquatic Algae Control Account--State Appropriation		\$513,000
Water Rights Tracking System Account—		
State Appropriation		\$46,000
Site Closure Account--State Appropriation	((556,000))	<u>\$553,000</u>
Wood Stove Education and Enforcement Account—		
State Appropriation	((612,000))	<u>\$608,000</u>
Worker and Community Right-to-Know Account—		
State Appropriation	((1,701,000))	<u>\$1,690,000</u>
Water Rights Processing Account--State Appropriation		\$135,000
State Toxics Control Account—		
State Appropriation	((124,238,000))	<u>\$125,248,000</u>
State Toxics Control Account—		
Private/Local Appropriation	((979,000))	<u>\$976,000</u>
Local Toxics Control Account—		
State Appropriation	((3,774,000))	<u>\$3,745,000</u>
Water Quality Permit Account—		
State Appropriation	((40,982,000))	<u>\$41,661,000</u>
Underground Storage Tank Account—		
State Appropriation	((3,347,000))	<u>\$3,331,000</u>
Biosolids Permit Account--State Appropriation	((1,848,000))	<u>\$2,136,000</u>
Hazardous Waste Assistance Account—		
State Appropriation	((6,037,000))	<u>\$6,009,000</u>
Air Pollution Control Account—		
State Appropriation	((3,128,000))	<u>\$3,124,000</u>
Oil Spill Prevention Account-State Appropriation	((5,684,000))	<u>\$6,312,000</u>
Air Operating Permit Account-State Appropriation	((3,132,000))	<u>\$3,137,000</u>
Freshwater Aquatic Weeds Account—		
State Appropriation	((1,409,000))	<u>\$1,405,000</u>
Oil Spill Response Account--State Appropriation		\$7,076,000
Water Pollution Control Revolving Account—		
State Appropriation	((356,000))	<u>\$352,000</u>
Water Pollution Control Revolving Account—		
Federal Appropriation	((1,505,000))	<u>\$1,491,000</u>
Water Pollution Control Revolving Administration		
Account--State Appropriation		\$1,021,000
Radioactive Mixed Waste Account—		
State Appropriation	((13,800,000))	<u>\$14,336,000</u>
TOTAL APPROPRIATION	((455,316,000))	<u>\$456,861,000</u>

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

(1) \$170,000 of the oil spill prevention account--state appropriation is provided solely for a contract with the University of Washington's sea grant program to continue an educational program targeted to small spills from commercial fishing vessels, ferries, cruise ships, ports, and marinas.

(2) Pursuant to RCW 43.135.055, the department is authorized to increase the following fees as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Wastewater discharge permit, not more than 4.55 percent in fiscal year 2014 and 4.63 percent in fiscal year 2015; mixed waste management service charge authorized in RCW 70.105.280, not more than 1.82 percent in fiscal year 2014 and 0.62 percent in fiscal year 2015; and reasonably available control technology fee.

(3) \$1,981,000 of the state toxics control account--state appropriation is for the department to provide training regarding the benefits of low-impact development including, but not limited to, when the use of low-impact development is appropriate and feasible, and the design, installation, maintenance, and best practices of low-impact development. The department will consult with Washington State University extension low-impact development technical center and others in the development of the low-impact technical training. As appropriate, the department may contract with the Washington State University extension low-impact development technical center, private sector vendors, associations, and others to deliver the technical training. The training must be provided free of cost to phase I and phase II permittees and the private development community including builders, engineers, and other industry professionals. The training must be sequenced geographically and provided in time for local jurisdictions to comply with RCW 90.48.260 and 36.70A.130(5). By August 1, 2013, the department of ecology shall provide the governor and appropriate legislative committees a plan for how low-impact development training funds will be spent during fiscal years 2014 through 2017.

(4) \$440,000 of the state toxics control account--state appropriation is provided solely for administering the water pollution control facilities financial assistance program authorized in chapter 90.50A RCW.

(5) \$350,000 of the state toxics control account--state appropriation is provided solely for the Spokane river regional toxics task force to support their efforts to address elevated levels of polychlorinated biphenyls in the Spokane river. Funding will be used to determine the extent of the cleanup required, implement cleanup actions to meet applicable water quality standards, and prevent recontamination.

(6) \$516,000 of the state toxics control account--state appropriation is provided solely for the department to support an ultrafine particulate study to determine how, if at all, the biomass cogeneration facilities in Port Townsend and Port Angeles may impact air quality and the health of citizens in the region.

(7) \$65,000 of the water quality permit account--state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1245 (derelict and abandoned vessels). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~((9))~~ ~~The department shall collaborate with the middle snake river watershed, WRIA 35 planning unit in implementing its watershed plan.~~ (8) \$40,000 of the environmental legacy stewardship account--state appropriation is provided solely for the middle snake river watershed, WRIA 35 planning unit in implementing its watershed plan in collaboration with the department.

~~((10))~~ (9)(a) \$14,000,000 of the general fund--state appropriation for fiscal year 2014 and \$14,000,000 of the general fund--state appropriation for fiscal year 2015 are for activities within the water resources program.

(b) Of the amounts provided in (a) of this subsection, \$500,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for processing water right permit applications only if the department of ecology issues at least five hundred water right decisions in fiscal year 2014, and if the department of ecology does not issue at least five hundred water right decisions in fiscal year 2014 the amount provided in this subsection shall lapse and remain unexpended. Permit decisions for the Columbia river basin count toward the five hundred water rights decisions under this subsection. The department of ecology shall submit a report to the office of financial management and the state treasurer by June 30, 2014, that documents whether five hundred water right decisions were issued in fiscal year 2014. For the purposes of this subsection, applications that are voluntarily withdrawn by an applicant do not count towards the five hundred water right decision requirement. For the purposes of water budget-neutral requests under chapter 173-539A WAC, multiple domestic connections authorized within a single water budget-neutral decision are considered one decision for the purposes of this subsection.

~~((11))~~ (10) The department of ecology, in consultation with the office of financial management, shall prepare a facilities plan to reduce the agency's facilities obligation and the agency's cost per FTE for its facilities by 2017 to align with comparable state agencies. The plan must be submitted to the office of financial management and the appropriate legislative fiscal committees by November 1, 2013. The plan must include: (a) An inventory of all currently owned and leased buildings, consistent with the data provided through the state's facilities inventory process prescribed by the office of financial management annually by September 1st; (b) a list of facilities solutions that will reduce costs with an emphasis on consolidation, collocation, and alternative space solutions such as shared workspace and mobile work; and (c) a department-wide coordinated process and plan for regularly evaluating facility needs.

(11) \$25,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the protection of groundwater aquifers that are the sole drinking water source as prescribed in RCW 90.54.140 specifically for the protection of artesian groundwater aquifers in a county with a population greater than one million five hundred thousand that are being detrimentally impacted by development. If the amount provided in this subsection is not sufficient for this purpose, the department must use existing funds to implement this subsection.

(12) \$50,000 of the environmental legacy stewardship account--state appropriation is provided solely to fund the Bertrand watershed improvement district's development of a conceptual groundwater model for water right permitting and mitigation efforts in the Lynden, Everson, Nooksack, and Sumas (LENS) aquifer study area. The conceptual groundwater model shall be developed in cooperation with the WRIA 1 watershed planning joint board.

(13) Within the environmental legacy stewardship account--state appropriation in this section, the department must use a portion of the funds to:

(a) Review tetrabromobisphenol A, chemical abstracts service number 79-94-7 and antimony, chemical abstracts service number 7440-36-0 and their use in children's products and furniture as flame retardants. The department must consider available information on the hazards, uses, exposures, potential health and environmental concerns, safer alternatives, existing regulatory programs, and information from other governments or authoritative bodies. By December 31, 2014, the department must provide to the appropriate committees of the legislature a summary of the data reviewed and recommendations on whether to ban or restrict antimony and tetrabromobisphenol A flame retardants in children's products and furniture; and

(b) Test for the presence of flame retardants in children's products and furniture. By December 31, 2014, the department must report to the appropriate legislative committees on test results, available information on hazards, uses, exposures, safer alternatives, existing

regulatory programs, potential health and environmental concerns, information from other governmental or authoritative bodies, and recommendations on whether to restrict or ban the flame retardants in children's products and furniture.

(14) \$300,000 of the state toxics control account--state appropriation is provided solely for the department to conduct a study of oil shipment through the state. The purpose of the study is to assess public health and safety as well as environmental impacts associated with oil transport. The study must provide data and analysis of statewide risks, gaps, and options for increasing public safety and improving spill prevention and response readiness. The department shall conduct the study in consultation with the department of transportation, the emergency management division of the military department, the utilities and transportation commission, tribes, appropriate local, state, and federal agencies, impacted industry groups, and stakeholders. The department must provide an update to the governor and the legislature by December 1, 2014, and a final report by March 1, 2015.

Sec. 303. 2013 2nd sp.s. c 4 s 303 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund--State Appropriation (FY 2014)	(\$4,254,000)	<u>\$4,271,000</u>
General Fund--State Appropriation (FY 2015)	(\$4,254,000)	<u>\$4,415,000</u>
General Fund--Federal Appropriation	(\$6,014,000)	<u>\$6,001,000</u>
Winter Recreation Program Account—		
State Appropriation	(\$2,065,000)	<u>\$2,463,000</u>
ORV and Nonhighway Vehicle Account—		
State Appropriation	(\$215,000)	<u>\$214,000</u>
Snowmobile Account--State Appropriation	(\$4,859,000)	<u>\$4,856,000</u>
Aquatic Lands Enhancement Account--State Appropriation		<u>\$363,000</u>
Parks Renewal and Stewardship Account—		
State Appropriation	(\$103,065,000)	<u>\$105,159,000</u>
Parks Renewal and Stewardship Account—		
Private/Local Appropriation		<u>\$300,000</u>
Waste Reduction/Recycling/Litter Control Account—		
State Appropriation		<u>\$1,700,000</u>
TOTAL APPROPRIATION	(\$127,089,000)	<u>\$129,742,000</u>

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

(1) \$79,000 of the general fund--state appropriation for fiscal year 2014 and \$79,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a grant for the operation of the Northwest weather and avalanche center.

(2) Prior to closing any state park, the commission must notify all affected local governments and relevant nonprofit organizations of the intended closure and provide an opportunity for the notified local governments and nonprofit organizations to elect to acquire, or enter into, a maintenance and operating contract with the commission that would allow the park to remain open.

(3) The commission shall prepare a report on its efforts to increase revenue from all sources, including the discover pass. The report shall also include a status update on the fiscal health of the state parks system, and shall be submitted to the office of financial management and the appropriate committees of the legislature by October 28, 2013.

(4) \$25,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2192 (state agency permitting). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

Sec. 304. 2013 2nd sp.s. c 4 s 304 (uncodified) is amended to read as follows:

FOR THE RECREATION AND CONSERVATION FUNDING BOARD

General Fund--State Appropriation (FY 2014)	(\$823,000)	<u>\$833,000</u>
General Fund--State Appropriation (FY 2015)	(\$815,000)	<u>\$903,000</u>
General Fund--Federal Appropriation	(\$3,425,000)	<u>\$3,411,000</u>
General Fund--Private/Local Appropriation	(\$24,000)	<u>\$124,000</u>
Aquatic Lands Enhancement Account--State Appropriation		<u>\$480,000</u>
<u>Park Land Trust Revolving Account--State Appropriation</u>		<u>\$34,000</u>
<u>State Wildlife Account--State Appropriation</u>		<u>\$33,000</u>
<u>Parks Renewal and Stewardship Account--State Appropriation</u>		<u>\$33,000</u>
Firearms Range Account--State Appropriation		<u>\$37,000</u>
Recreation Resources Account—		
State Appropriation	(\$3,086,000)	<u>\$3,153,000</u>
NOVA Program Account--State Appropriation	(\$964,000)	<u>\$961,000</u>
TOTAL APPROPRIATION	(\$9,654,000)	<u>\$10,002,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$34,000 of the park land trust revolving fund--state appropriation, \$33,000 of the state parks renewal and stewardship account--state appropriation, and \$33,000 of the state wildlife account--state appropriation are provided solely for the recreation and conservation office to contract with a consultant to provide a study that quantifies the economic contribution to the state economy from the state's public lands and that quantifies the economic contribution from statewide outdoor recreation to the state's economy. A report is due to the appropriate committees of the legislature by January 1, 2015.

Sec. 305. 2013 2nd sp.s. c 4 s 305 (uncodified) is amended to read as follows:

FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE

General Fund--State Appropriation (FY 2014)	(\$2,227,000)	<u>\$2,210,000</u>
General Fund--State Appropriation (FY 2015)	(\$2,147,000)	<u>\$2,151,000</u>
TOTAL APPROPRIATION	(\$4,374,000)	<u>\$4,361,000</u>

Sec. 306. 2013 2nd sp.s. c 4 s 306 (uncodified) is amended to read as follows:

FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2014)	(\$6,841,000)	<u>\$6,819,000</u>
General Fund--State Appropriation (FY 2015)	(\$6,738,000)	<u>\$6,708,000</u>
General Fund--Federal Appropriation		\$2,301,000
State Toxics Control Account--State Appropriation	(\$1,100,000)	<u>\$1,050,000</u>
TOTAL APPROPRIATION	(\$16,880,000)	<u>\$16,878,000</u>

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

(1) Within the amounts appropriated in this section, the conservation commission, in consultation with conservation districts, must submit to the office of financial management and legislative fiscal committees by December 10, 2013, a report outlining opportunities to minimize districts' overhead costs, including consolidation of conservation districts within counties in which there is more than one district. The report must include details on the anticipated future savings that could be expected from implementing these efficiencies starting on July 1, 2014.

(2) \$300,000 of the general fund--state appropriation for fiscal year 2014 and \$246,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to implement the voluntary stewardship program in Thurston and Chelan counties. These amounts may not be used to fund agency indirect and administrative expenses.

(3) \$1,000,000 of the general fund--federal appropriation is provided solely to implement the voluntary stewardship program statewide. The commission shall place the appropriation in this subsection in unallotted status, and may not allot any of these funds until the federal government has provided funding to the commission for the purpose of implementing the voluntary stewardship program.

(4) The conservation commission must evaluate the current system for the election of conservation district board supervisors and recommend improvements to ensure the highest degree of public involvement in these elections. The commission must engage with stakeholder groups and conservation districts to gather a set of options for improvement to district elections, which must include an option aligning district elections with state and local general elections. The commission must submit a report detailing the options to the office of financial management and appropriate committees of the legislature by December 10, 2013.

(5) \$50,000 of the state toxics control account--state appropriation is provided solely for the Whatcom agricultural district coalition to educate and inform agricultural landowners on regulatory compliance issues relating to groundwater quality issues including nitrates, fecal coliform, and pesticide contamination within WRIA 1 and to organize watershed improvement districts to implement environmental regulatory compliance strategies.

(6) The state conservation commission may provide additional funding to a conservation district if the conservation district conducts elections at such times as and consistent with the general election law, chapter 29A.04 RCW.

Sec. 307. 2013 2nd sp.s. c 4 s 307 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2014)	(\$30,321,000)	<u>\$30,747,000</u>
General Fund--State Appropriation (FY 2015)	(\$28,999,000)	<u>\$30,094,000</u>
General Fund--Federal Appropriation	(\$107,585,000)	<u>\$107,198,000</u>
General Fund--Private/Local Appropriation	(\$58,784,000)	<u>\$58,359,000</u>
ORV and Nonhighway Vehicle Account—		
State Appropriation	(\$397,000)	<u>\$390,000</u>
Aquatic Lands Enhancement Account—		
State Appropriation	(\$15,919,000)	<u>\$15,873,000</u>
Recreational Fisheries Enhancement—		
State Appropriation	(\$2,590,000)	<u>\$2,603,000</u>
Environmental Legacy Stewardship Account—		
State Appropriation		\$1,224,000
Warm Water Game Fish Account—		
State Appropriation	(\$2,507,000)	<u>\$2,490,000</u>
Eastern Washington Pheasant Enhancement Account—		
State Appropriation		\$849,000
Aquatic Invasive Species Enforcement Account—		
State Appropriation	(\$209,000)	<u>\$228,000</u>
Aquatic Invasive Species Prevention Account—		
State Appropriation	(\$737,000)	<u>\$761,000</u>
State Wildlife Account--State Appropriation	(\$103,460,000)	<u>\$103,229,000</u>
Special Wildlife Account--State Appropriation	(\$2,405,000)	<u>\$2,399,000</u>
Special Wildlife Account--Federal Appropriation		\$500,000
Special Wildlife Account—		
Private/Local Appropriation	(\$3,446,000)	<u>\$3,440,000</u>
Wildlife Rehabilitation Account--State Appropriation		\$259,000
Hydraulic Project Approval Account—		
State Appropriation	(\$674,000)	<u>\$966,000</u>
Regional Fisheries Enhancement Salmonid Recovery		
Account--Federal Appropriation		\$5,001,000
Oil Spill Prevention Account--State Appropriation	(\$917,000)	<u>\$912,000</u>
Oyster Reserve Land Account--State Appropriation	(\$773,000)	<u>\$771,000</u>
TOTAL APPROPRIATION	(\$367,556,000)	<u>\$368,293,000</u>

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

(1) (~~(\$130,000)~~) \$675,000 of the general fund--state appropriation for fiscal year 2014 and \$130,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to pay for emergency fire suppression costs. These amounts may not be used to fund agency indirect and administrative expenses.

(2) Prior to submitting its 2015-2017 biennial operating and capital budget request related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review this request. This review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid stocks and meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most cost effective manner. The department shall provide a copy of the HSRG review to the office of financial management with their agency budget proposal.

(3) \$400,000 of the general fund--state appropriation for fiscal year 2014 and \$400,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the U.S. army corps of engineers.

(4) Within the amounts appropriated in this section, the department shall identify additional opportunities for partnerships in order to keep fish hatcheries operational. Such partnerships shall aim to maintain fish production and salmon recovery with less reliance on state operating funds.

(5) During the 2013-2015 fiscal biennium, the department must retain ownership and continue to occupy the downtown Olympia office building at 600 Capitol Way.

(6) \$1,000,000 of the state wildlife account--state appropriation is provided solely to the department for resources that serve to promote and engage nonlethal deterrence methods relating to wolf and livestock interaction with a priority given to funding cooperative agreements with livestock producers, and of this amount, \$250,000 in fiscal year 2014 is provided solely for compensation for injury or loss of livestock caused by wolves as prescribed in chapter 77.36 RCW.

(7) \$100,000 of the state wildlife account--state appropriation is provided solely for the transfer of trout from the Clarks creek hatchery to the Lakewood hatchery.

(8) \$100,000 of the general fund--state appropriation for fiscal year 2014 and \$100,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the production of steelhead, coho, and Chinook salmon at the Clarks creek hatchery.

(9) \$200,000 of the state wildlife account--state appropriation, \$50,000 of the general fund--state appropriation for fiscal year 2014, and \$50,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the department to increase production of juvenile fall Chinook on the Cowlitz river. The funds provided may be used to match or leverage funds from private or public sources for the same purpose.

(10) \$596,000 of the general fund--state appropriation for fiscal year 2014 and \$596,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for weed assessments and for payments in lieu of real property taxes to counties that elect to receive the payments for department owned game lands within the county.

(11) \$10,000 of the aquatic lands enhancement account--state appropriation is provided solely for development of an aquatic invasive species passport program to improve the efficiency and effectiveness of watercraft inspections by expediting aquatic invasive species watercraft inspections for watercraft at low risk of transmitting invasive species and prioritizing the use of available resources for the inspection of high risk vessels.

(12) Within the amounts appropriated in this section, the department must deploy additional wildlife conflict specialists to provide landowner assistance and address wildlife conflicts, with at least one additional specialist primarily assigned to each of the following areas: Administrative region six of the department; Okanogan and Chelan counties in administrative region two of the department; and Whatcom and Skagit counties in administrative region four of the department.

(13) \$25,000 of the general fund--state appropriation for fiscal year 2014 and \$25,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of House Bill No. 1112 (science and public policy). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(14) Within the amounts appropriated in this section the department shall work with the regional fisheries enhancement groups to identify a revenue source or sources capable of providing long-term funding to support the community-based salmon restoration work of regional fisheries enhancement groups. The department shall work with the regional fisheries enhancement group coalition to submit a report to the office of financial management and the appropriate legislative committees by December 1, 2013, with the outcomes and recommendations.

(15) \$150,000 of the general fund--state appropriation for fiscal year 2015 is provided solely to conduct a study of the Lake Washington basin sockeye salmon to evaluate the impact of predation on juvenile sockeye by several species of fish that inhabit the lake, and develop management actions by the state to increase the returns of adult sockeye to the lake.

(16) \$30,000 of the aquatic invasive species prevention account--state appropriation and \$20,000 of the aquatic invasive species enforcement account--state appropriation are provided solely to the department for a contract, that includes performance measures and requires reporting on outcomes, with the Pacific northwest economic region nonprofit organization to support regional coordination of invasive species prevention activities in the Pacific northwest.

Sec. 308. 2013 2nd sp.s. c 4 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund--State Appropriation (FY 2014)	(\$42,515,000)	<u>\$48,655,000</u>
General Fund--State Appropriation (FY 2015)	(\$45,092,000)	<u>\$44,694,000</u>
General Fund--Federal Appropriation	(\$26,963,000)	<u>\$26,937,000</u>
General Fund--Private/Local Appropriation		\$2,372,000
Forest Development Account--State Appropriation	(\$49,054,000)	<u>\$50,418,000</u>
ORV and Nonhighway Vehicle Account--		
State Appropriation	(\$4,494,000)	<u>\$4,468,000</u>

Surveys and Maps Account--State Appropriation	(\$2,170,000)	<u>\$1,667,000</u>
Aquatic Lands Enhancement Account—		
State Appropriation	(\$3,634,000)	<u>\$3,578,000</u>
Snowmobile Account--State Appropriation		\$100,000
Environmental Legacy Stewardship Account—		
State Appropriation		\$3,948,000
Resources Management Cost Account—		
State Appropriation	(\$111,073,000)	<u>\$116,006,000</u>
Surface Mining Reclamation Account—		
State Appropriation	(\$3,972,000)	<u>\$3,951,000</u>
Disaster Response Account--State Appropriation		\$5,000,000
Forest and Fish Support Account—		
State Appropriation	(\$11,759,000)	<u>\$11,755,000</u>
Aquatic Land Dredged Material Disposal Site		
Account--State Appropriation	(\$843,000)	<u>\$462,000</u>
Natural Resources Conservation Areas Stewardship		
Account--State Appropriation		\$34,000
Marine Resources Stewardship Trust Account—		
State Appropriation	(\$3,700,000)	<u>\$4,122,000</u>
State Toxics Control Account--State Appropriation		\$80,000
Forest Practices Application Account—		
State Appropriation		\$1,697,000
Air Pollution Control Account—		
State Appropriation	(\$785,000)	<u>\$782,000</u>
NOVA Program Account--State Appropriation	(\$950,000)	<u>\$946,000</u>
Derelict Vessel Removal Account—		
State Appropriation	(\$1,770,000)	<u>\$1,767,000</u>
Agricultural College Trust Management Account—		
State Appropriation	(\$2,712,000)	<u>\$2,699,000</u>
TOTAL APPROPRIATION	(\$324,717,000)	<u>\$336,138,000</u>

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

(1) \$1,389,000 of the general fund--state appropriation for fiscal year 2014 and \$1,323,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

(2) ~~(\$19,099,000)~~ \$25,271,000 of the general fund--state appropriation for fiscal year 2014, \$19,099,000 of the general fund--state appropriation for fiscal year 2015, and \$5,000,000 of the disaster response account--state appropriation are provided solely for emergency fire suppression. None of the general fund and disaster response account amounts provided in this subsection may be used to fund agency indirect and administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations. The department of natural resources shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.

(3) \$5,000,000 of the forest and fish support account--state appropriation is provided solely for outcome-based, performance contracts with tribes to participate in the implementation of the forest practices program. Contracts awarded may only contain indirect costs set at or below the rate in the contracting tribe's indirect cost agreement with the federal government. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.

(4) \$518,000 of the forest and fish support account--state appropriation is provided solely for outcome-based performance contracts with nongovernmental organizations to participate in the implementation of the forest practices program. Contracts awarded may only contain indirect cost set at or below a rate of eighteen percent.

(5) \$717,000 of the forest and fish support account--state appropriation is provided solely to fund interagency agreements with the department of ecology and the department of fish and wildlife as part of the adaptive management process.

(6) \$440,000 of the state general fund--state appropriation for fiscal year 2014 and \$440,000 of the state general fund--state appropriation for fiscal year 2015 are provided solely for forest work crews that support correctional camps and are contingent upon continuing operations of Naselle youth camp.

(7) \$2,382,000 of the resource management cost account--state appropriation is for addressing the growing backlog of expired aquatic leases and new aquatic lease applications. The department shall implement a Lean process to improve the lease review process and further reduce the backlog, and submit a report on its progress in addressing the backlog and implementation of the Lean process to the governor and the appropriate committees of the legislature by October 1, 2013.

(8) \$1,948,000 of the environmental legacy stewardship account--state appropriation is provided solely for the department to pay a portion of the costs to complete remedial investigation work at Whitmarsh landfill and Mill site A and perform final-year maintenance of the Olympic view triangle site in Commencement Bay.

(9) \$265,000 of the resources management cost account--state appropriation is provided solely for implementation of Second Substitute House Bill No. 1764 (geoduck diver licenses). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(10) \$425,000 of the derelict vessel removal account--state appropriation is provided solely for implementation of Engrossed Substitute House Bill No. 1245 (derelict and abandoned vessels). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(11) \$3,700,000 of the marine resources stewardship trust account--state appropriation is provided solely for implementation of priority marine management planning efforts including mapping activities, ecological assessment, data tools, stakeholder engagement, and all other work identified in Engrossed Senate Bill No. 5603 (marine advisory councils) during the 2013-2015 fiscal biennium.

(12) Within the amounts appropriated in this section, the department may purchase an extraordinary sensing device for the express purpose of firefighting and fire prevention.

Sec. 309. 2013 2nd sp.s. c 4 s 309 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

General Fund--State Appropriation (FY 2014)	((15,300,000))	<u>\$15,270,000</u>
General Fund--State Appropriation (FY 2015)	((15,294,000))	<u>\$15,950,000</u>
General Fund--Federal Appropriation	((23,098,000))	<u>\$22,979,000</u>
General Fund--Private/Local Appropriation		\$192,000
Aquatic Lands Enhancement Account—		
State Appropriation	((2,837,000))	<u>\$2,827,000</u>
State Toxics Control Account—		
State Appropriation	((5,203,000))	<u>\$5,188,000</u>
Water Quality Permit Account—		
State Appropriation	((70,000))	<u>\$73,000</u>
TOTAL APPROPRIATION	((61,994,000))	<u>\$62,479,000</u>

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

(1) \$5,308,445 of the general fund--state appropriation for fiscal year 2014 and ~~((5,302,905))~~ \$6,102,905 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementing the food assistance program as defined in RCW 43.23.290.

(2) Pursuant to RCW 43.135.055 and 16.57.220, the department is authorized to institute livestock inspection fees in the 2013-2015 fiscal biennium for calves less than thirty days old.

(3) Pursuant to RCW 43.135.055 and 16.36.150, the department is authorized to establish a fee for the sole purpose of purchasing and operating a database and any other technology or software needed to administer animal disease traceability activities for cattle sold or slaughtered in the state or transported out of the state.

(4) Within the amounts appropriated in this section, the department of agriculture must convene and facilitate a work group with appropriate stakeholders to review fees supporting programs within the department that are also supported with state general fund. In developing strategies to make the program work more self-supporting, the workgroup will consider, at minimum, the length of time since the last fee increase, similar fees that exist in neighboring states, and fee increases that will ensure reasonable competitiveness in the respective industries. The workgroup must submit a report containing recommendations that will make each of the fee supported programs within the department less reliant on state general fund to the office of financial management and legislative fiscal committees by December 1, 2013.

Sec. 310. 2013 2nd sp.s. c 4 s 310 (uncodified) is amended to read as follows:

FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM

Pollution Liability Insurance Program Trust

Account--State Appropriation~~((987,000))~~
\$994,000

Sec. 311. 2013 2nd sp.s. c 4 s 311 (uncodified) is amended to read as follows:

FOR THE PUGET SOUND PARTNERSHIP

General Fund--State Appropriation (FY 2014)	((2,416,000))	<u>\$2,398,000</u>
General Fund--State Appropriation (FY 2015)	((2,318,000))	<u>\$2,427,000</u>
General Fund--Federal Appropriation	((11,570,000))	<u>\$11,582,000</u>
Aquatic Lands Enhancement Account--State Appropriation		\$1,920,000
State Toxics Control Account--State Appropriation ((676,000))		<u>\$675,000</u>
TOTAL APPROPRIATION	((18,900,000))	<u>\$19,002,000</u>

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

(1) \$788,000 of the aquatic lands enhancement account--state appropriation is provided solely for coordinating a study of Puget Sound juvenile steelhead marine survival conducted by the department of fish and wildlife and based on a study plan developed in cooperation with federal, tribal, and nongovernmental entities.

(2) By October 1, 2014, the Puget Sound partnership shall provide the governor a single, prioritized list of state agency 2015-2017 capital and operating budget requests related to Puget Sound restoration.

(3) \$71,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the Puget Sound partnership to collaborate with interested parties to review the roles of local watershed and salmon recovery organizations implementing the action agenda and provide legislative, budgetary, and administrative recommendations to streamline and strengthen Puget Sound recovery efforts. In conducting this work, the partnership must coordinate with the following interested parties: The Hood Canal coordinating council, marine resources committees, including the Northwest straits initiative, regional fisheries enhancement groups, local integrating organizations, lead entities, and other county watershed councils, as well as representatives of federal, state, tribal, and local government agencies. Recommendations must be provided to the appropriate legislative committees by December 1, 2014.

(End of part)

**PART IV
TRANSPORTATION**

Sec. 401. 2013 2nd sp.s. c 4 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2014)	(\$1,103,000)	<u>\$1,097,000</u>
General Fund--State Appropriation (FY 2015)	(\$1,341,000)	<u>\$1,354,000</u>
Architects' License Account--State Appropriation	(\$902,000)	<u>\$898,000</u>
Professional Engineers' Account—		
State Appropriation	(\$3,558,000)	<u>\$3,529,000</u>
Real Estate Commission Account—		
State Appropriation	(\$9,929,000)	<u>\$9,885,000</u>
Uniform Commercial Code Account—		
State Appropriation	(\$3,154,000)	<u>\$3,132,000</u>
Real Estate Education <u>Program</u> Account—		
State Appropriation		\$276,000
Real Estate Appraiser Commission Account—		
State Appropriation	(\$1,703,000)	<u>\$1,700,000</u>
Business and Professions Account—		
State Appropriation	(\$17,454,000)	<u>\$17,390,000</u>
Funeral and Cemetery Account--State Appropriation		\$5,000
Landscape Architects' License Account--State Appropriation		\$4,000
Appraisal Management Company Account—		
State Appropriation		\$4,000
Real Estate Research Account--State Appropriation		\$415,000
Wildlife Account--State Appropriation		\$32,000
Geologists' Account--State Appropriation		\$52,000
Derelict Vessel Removal Account--State Appropriation		\$31,000
TOTAL APPROPRIATION	(\$39,963,000)	<u>\$39,804,000</u>

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

(1) \$566,000 of the business and professions account--state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1552 (scrap metal theft reduction). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(2) \$166,000 of the business and professions account--state appropriation in fiscal year 2014 only is provided solely for the implementation of Substitute House Bill No. 1779 (esthetics). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(3) \$592,000 of the business and professions account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1822 (debt collection practices). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(4) \$32,000 of the state wildlife account--state appropriation is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5193 (wolf conflict management). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(5) \$19,000 of the general fund--state appropriation for fiscal year 2014 and \$48,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a pilot identicard program to assist and prepare offenders for release from prison and reentry into the community. The goal of the pilot identicard program is to provide proper state identification to offenders to facilitate access to services, employment, housing, and various other opportunities upon release to the community. By September 1, 2014, the department of licensing, working in conjunction with the department of corrections, must implement the pilot identicard program in accordance with the following:

(a) The pilot program must provide an original, renewal, or replacement identicard to offenders that: (i) Prove their identity as required by RCW 46.20.035; (ii) are under the custody of the department of corrections; (iii) have been sentenced to an incarceration period exceeding one year and one day; and (iv) are incarcerated within the Monroe correctional complex and within two months of release.

(b) For purposes of verifying an offender's identity and eligibility for the program, a valid identification card issued by the department of corrections serves as sufficient proof of identity and residency for an offender to apply for and obtain a Washington state identicard.

(c) For the purposes of the pilot program, the department of licensing must (i) set an expiration date for an identicard issued under the pilot program for the first anniversary of the offender's birthdate after issuance; and (ii) not charge any fee to an applicant for an identicard issued as part of the pilot program.

(d) The department of licensing, in consultation with the department of corrections, must report to the governor and the appropriate committees of the legislature on the results of the pilot identicard program and any recommendations for improvement by June 30, 2015.

Sec. 402. 2013 2nd sp.s. c 4 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund--State Appropriation (FY 2014)	(\$34,653,000)	<u>\$35,561,000</u>
General Fund--State Appropriation (FY 2015)	(\$32,485,000)	<u>\$31,337,000</u>
General Fund--Federal Appropriation	(\$16,189,000)	<u>\$15,860,000</u>
General Fund--Private/Local Appropriation	(\$3,020,000)	<u>\$3,019,000</u>

Death Investigations Account-State Appropriation	(\$9,956,000)	<u>\$9,925,000</u>
Enhanced 911 Account--State Appropriation		<u>\$3,480,000</u>
County Criminal Justice Assistance Account—		
State Appropriation	(\$3,332,000)	<u>\$3,310,000</u>
Municipal Criminal Justice Assistance Account—		
State Appropriation	(\$1,351,000)	<u>\$1,340,000</u>
Fire Service Trust Account--State Appropriation		<u>\$131,000</u>
Disaster Response Account--State Appropriation		<u>\$8,000,000</u>
Fire Service Training Account—		
State Appropriation	(\$9,797,000)	<u>\$9,774,000</u>
Aquatic Invasive Species Enforcement Account—		
State Appropriation		<u>\$54,000</u>
State Toxics Control Account-State Appropriation	(\$516,000)	<u>\$513,000</u>
Fingerprint Identification Account—		
State Appropriation	(\$10,747,000)	<u>\$12,184,000</u>
Vehicle License Fraud Account—		
State Appropriation	(\$447,000)	<u>\$334,000</u>
TOTAL APPROPRIATION	(\$134,158,000)	<u>\$134,822,000</u>

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

(1) \$200,000 of the fire service training account--state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.

(2) \$8,000,000 of the disaster response account--state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 through 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.

(3) \$700,000 of the fire service training account--state appropriation is provided solely for the firefighter apprenticeship training program.

(4) \$3,480,000 of the enhanced 911 account--state appropriation is provided solely for upgrades to the Washington state identification system and the Washington crime information center. Amounts provided in this subsection may not be expended until the office of the chief information officer approves a plan to move the Washington state patrol's servers and data center equipment into the state data center in the 1500 Jefferson building, and the office of the chief information officer certifies that the Washington state patrol has begun the move. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(5) \$154,000 of the fingerprint identification account--state appropriation is provided solely for implementation of Substitute House Bill No. 1612 (firearms offenders). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse. (End of part)

PART V EDUCATION

Sec. 501. 2013 2nd sp.s. c 4 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund--State Appropriation (FY 2014)	(\$27,264,000)	<u>\$27,273,000</u>
General Fund--State Appropriation (FY 2015)	(\$26,041,000)	<u>\$26,966,000</u>
General Fund--Federal Appropriation	(\$63,826,000)	<u>\$70,931,000</u>
General Fund--Private/Local Appropriation	(\$4,005,000)	<u>\$4,003,000</u>
Performance Audits of Government Account—State Appropriation		<u>\$200,000</u>
TOTAL APPROPRIATION	(\$121,336,000)	<u>\$129,373,000</u>

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

(1) A maximum of ~~(\$16,881,000)~~ \$16,996,000 of the general fund--state appropriation for fiscal year 2014 and ~~(\$16,602,000)~~ \$17,401,000 of the general fund--state appropriation for fiscal year 2015 is for state agency operations.

(a) ~~(\$8,846,000)~~ \$8,961,000 of the general fund--state appropriation for fiscal year 2014 and ~~(\$8,910,000)~~ \$8,639,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(i) Within the amounts provided in this subsection (1)(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.

(ii) Districts shall report to the office of the superintendent of public instruction daily student unexcused absence data by school, using a uniform definition of unexcused absence as established by the superintendent.

(iii) By September of each year, the office of the superintendent of public instruction shall produce an annual status report of the budget provisos in sections 501 and 513 of this act. The status report of each proviso shall include, but not be limited to, the following information: Purpose and objective, number of staff, number of contractors, status of proviso implementation, number of beneficiaries by year, list of beneficiaries, and proviso outcomes and achievements.

(iv) The superintendent of public instruction shall update the program prepared and distributed under RCW 28A.230.150 for the observation of temperance and good citizenship day to include providing an opportunity for eligible students to register to vote at school.

~~((vi) Appropriations in this section are sufficient for the office of the superintendent of public instruction to conduct ongoing consolidated program reviews of alternative learning experience programs and dropout reengagement programs established under chapter 20, Laws of 2010. The office of the superintendent of public instruction shall include alternative learning education and dropout reengagement programs in their ongoing consolidated program reviews, as well as provide outreach and training to school districts regarding implementation of the programs. Findings from the program reviews will be used to support and prioritize office of the superintendent outreach and education efforts that assist school districts in implementing the programs in accordance with statute and legislative intent, as well as to support financial and performance audit work conducted by the office of the state auditor.))~~

(b) \$1,017,000 of the general fund--state appropriation for fiscal year 2014 and \$1,017,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for activities associated with the implementation of new school finance systems required by chapter 236, Laws of 2010 (K-12 education funding) and chapter 548, Laws of 2009 (state's education system), including technical staff, systems reprogramming, and workgroup deliberations, including the quality education council and the data governance working group.

(c)(i) \$1,012,000 of the general fund--state appropriation for fiscal year 2014 and ~~((1,012,000))~~ \$1,034,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities. Of these amounts, \$161,000 of the general fund--state appropriation for fiscal year 2014 and \$161,000 of the general fund--state appropriation for fiscal year 2015 are provided for implementation of Initiative Measure No. 1240 (charter schools).

(ii) \$22,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the purpose of implementing provisions of Engrossed Second Substitute Senate Bill No. 6552 (student hour and graduation requirements) related to career and college ready graduation requirements. If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(d) \$1,325,000 of the general fund--state appropriation for fiscal year 2014 and ~~((1,325,000))~~ \$1,477,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to the professional educator standards board for the following:

(i) \$1,050,000 in fiscal year 2014 and \$1,050,000 in fiscal year 2015 are for the operation and expenses of the Washington professional educator standards board;

(ii) \$250,000 of the general fund--state appropriation for fiscal year 2014 and \$250,000 of the general fund--state appropriation for fiscal year 2015 are for mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board, including the pipeline for paraeducators program and the retooling to teach conditional loan programs. Funding within this subsection (1)(d)(ii) is also provided for the recruiting Washington teachers program; ~~((and))~~

(iii) \$25,000 of the general fund--state appropriation for fiscal year 2014 and \$25,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the professional educator standards board to develop educator interpreter standards and identify interpreter assessments that are available to school districts. Interpreter assessments should meet the following criteria: (A) Include both written assessment and performance assessment; (B) be offered by a national organization of professional sign language interpreters and transliterators; and (C) be designed to assess performance in more than one sign system or sign language. The board shall establish a performance standard, defining what constitutes a minimum assessment result, for each educational interpreter assessment identified. The board shall publicize the standards and assessments for school district use;

(iv) \$24,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the professional educator standards board to: (A) Disseminate information about principles of language acquisition as a critical knowledge and skill for educators in support of instruction for English language learners; and (B) in conjunction with the office of the superintendent of public instruction, revise the model framework and curriculum for high school career and technical education courses related to careers in education to incorporate standards of cultural competence, new research on educator preparation, and curriculum and activities from the recruiting Washington teacher program; and

(v) \$128,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for implementation of Substitute Senate Bill No. 6129 (paraeducator development). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(e) \$133,000 of the general fund--state appropriation for fiscal year 2014 and ~~((133,000))~~ \$266,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 240, Laws of 2010, including staffing the office of equity and civil rights.

(f) \$50,000 of the general fund--state appropriation for fiscal year 2014 and \$50,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the ongoing work of the education opportunity gap oversight and accountability committee.

(g) \$45,000 of the general fund--state appropriation for fiscal year 2014 and \$45,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 380, Laws of 2009 (enacting the interstate compact on educational opportunity for military children).

(h) \$131,000 of the general fund--state appropriation for fiscal year 2014 and \$131,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the implementation of Initiative Measure No. 1240 (charter schools).

(i) \$1,826,000 of the general fund--state appropriation for fiscal year 2014 and \$1,802,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementing a comprehensive data system to include financial, student, and educator data, including development and maintenance of the comprehensive education data and research system (CEDARS).

(j) \$25,000 of the general fund--state appropriation for fiscal year 2014 and \$25,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote participation in government by middle school students.

(k) \$1,500,000 of the general fund--state appropriation for fiscal year 2014 and \$1,500,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for collaborative schools for innovation and success authorized under chapter 53, Laws of 2012. The office of the superintendent of public instruction shall award \$500,000 per year in funding for each collaborative school for innovation and success selected for participation in the pilot program during 2012.

(l) \$123,000 of the general fund--state appropriation for fiscal year 2014 and \$123,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of chapter 163, Laws of 2012 (foster care outcomes). The office of the superintendent of public instruction shall annually report each December on the implementation of the state's plan of cross-system collaboration to promote educational stability and improve education outcomes of foster youth.

(m) \$250,000 of the general fund--state appropriation for fiscal year 2014 and \$250,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of chapter 178, Laws of 2012 (open K-12 education resources).

(n) \$93,000 of the general fund--state appropriation for fiscal year 2014 and \$93,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for chapter 185, Laws of 2011 (bullying prevention, which requires the office of the superintendent of public instruction to convene an ongoing workgroup on school bullying and harassment prevention. Within the amounts provided, \$140,000 is for youth suicide prevention activities.

(o) \$138,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for implementation of House Bill No. 1336 (troubled youth in school). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(p) \$68,000 of the general fund--state appropriation for fiscal year 2014 and \$14,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of House Bill No. 1134 (state-tribal education compacts). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(q) \$62,000 of the general fund--state appropriation for fiscal year 2014 and \$62,000 of the general fund--state appropriation for fiscal year 2015 are for competitive grants to school districts to increase the capacity of high schools to offer AP computer science courses. In making grant allocations, the office of the superintendent of public instruction must give priority to schools and districts in rural areas, with substantial enrollment of low-income students, and that do not offer AP computer science. School districts may apply to receive either or both of the following grants:

(i) A grant to establish partnerships to support computer science professionals from private industry serving on a voluntary basis as coinstructors along with a certificated teacher, including via synchronous video, for AP computer science courses; or

(ii) A grant to purchase or upgrade technology and curriculum needed for AP computer science, as well as provide opportunities for professional development for classroom teachers to have the requisite knowledge and skills to teach AP computer science.

(r) \$27,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for implementation of House Bill No. 1556 (cardiac arrest education).

(s) \$50,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for the development of recommendations for funding integrated school nursing and outreach services. The office of the superintendent of public instruction shall collaborate with the health care authority to develop recommendations for increasing federal financial participation for providing nursing services in schools with the goals of integrating nursing and outreach services and supporting one nurse for every four-hundred fifty students in elementary schools and one nurse for every seven-hundred fifty students in secondary schools. The recommendations shall include proposals for funding training and reimbursement for nurses that provide outreach services to help eligible students enroll in apple health for kids and other social services programs. The authority and the office of the superintendent of public instruction shall provide these recommendations to the governor and the legislature by December 1, 2013.

(t) \$50,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for the office of the superintendent of public instruction to contract with an organization to develop a model plan for evaluating the outcomes of state funded pilot education programs, including guidelines for standard data that must be gathered throughout any education pilot program, as well as guidance for data and evaluation methods depending on the design of the program and the target population. The contract must also include a provision to provide guidance for the evaluation of existing pilot programs.

(u) \$10,000 of the general fund--state appropriation for fiscal year 2014 and \$10,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the superintendent of public instruction to convene a committee for the selection and recognition of Washington innovative schools. The committee shall select and recognize Washington innovative schools based on the selection criteria established by the office of the superintendent of public instruction, in accordance with chapter 202, Laws of 2011 (innovation schools--recognition) and chapter 260, Laws of 2011 (innovation schools and zones).

(v) \$100,000 of the general fund--state appropriation for fiscal year 2014 and \$100,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Mobius science center to expand mobile outreach of science, technology, engineering, and mathematics (STEM) education to students in rural, tribal, and low-income communities.

(w) \$28,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the office of the superintendent of public instruction to create a clearinghouse of research-based best practices for school districts to provide academic and nonacademic support for students while they are subject to disciplinary action and after their reengagement in school.

(x) \$49,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the office of the superintendent of public instruction, in collaboration with the educational opportunity gap oversight and accountability committee, the professional educator standards board, colleges of education, and representatives from diverse communities and community-based organizations, to develop a content outline for professional development and training in cultural competence for school staff, which educational service districts and school districts are encouraged to use.

(y) \$117,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the office of the superintendent of public instruction to convene a task force to design a performance-based assistance and accountability system for the transitional bilingual instruction program. The office must submit a report with recommendations from the task force to the education and fiscal committees of the legislature by January 15, 2016.

(z) \$134,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the office of the superintendent of public instruction to perform on-going program reviews of alternative learning experience programs and dropout reengagement programs. The amounts provided in this subsection are sufficient for the office of the superintendent of public instruction to conduct ongoing consolidated program reviews of alternative learning experience programs and dropout reengagement programs established under chapter 20, Laws of 2010. The office of the superintendent of public instruction shall include alternative learning education and dropout reengagement programs in its ongoing consolidated program reviews, as well as provide outreach and training to school districts regarding implementation of the programs. Findings from the program reviews will be used to support and prioritize the office of the superintendent

of public instruction outreach and education efforts that assist school districts in implementing the programs in accordance with statute and legislative intent, as well as to support financial and performance audit work conducted by the office of the state auditor.

(aa) \$287,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the purpose of implementing provisions of Engrossed Second Substitute Senate Bill No. 6552 (student hour and graduation requirements) related to career and technical education equivalencies. If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(bb) \$148,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for implementation of Substitute Senate Bill No. 6431 (youth suicide prevention). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(2) \$200,000 of the performance audits of government account--state appropriation is provided solely for a one-time workload increase to address additional audit resolutions and appeals in the alternative learning experience programs.

(3) \$10,277,000 of the general fund--state appropriation for fiscal year 2014 and \$9,565,000 of the general fund--state appropriation for fiscal year 2015 are for statewide programs.

(a) HEALTH AND SAFETY

(i) \$2,541,000 of the general fund--state appropriation for fiscal year 2014 and \$2,541,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(ii) \$135,000 of the general fund--state appropriation for fiscal year 2014 and \$135,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

\$1,221,000 of the general fund--state appropriation for fiscal year 2014 and \$1,221,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network.

(c) GRANTS AND ALLOCATIONS

(i) \$1,875,000 of the general fund--state appropriation for fiscal year 2014 and \$1,875,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington state achievers scholarship program. The funds shall be used to support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars.

(ii) \$1,000,000 of the general fund--state appropriation for fiscal year 2014 and \$1,000,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(iii) \$1,000,000 of the general fund--state appropriation for fiscal year 2014 and \$1,000,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for dropout prevention, intervention, and reengagement programs, including the jobs for America's graduates (JAG) program and the building bridges statewide program. Starting in school year 2014-15, students in the foster care system or who are homeless shall be given priority by districts offering the jobs for America's graduates program. The office of the superintendent of public instruction shall convene staff representatives from high schools to meet and share best practices for dropout prevention.

(iv) \$2,112,000 of the general fund--state appropriation for fiscal year 2014 and \$1,400,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 340, Laws of 2011 and chapter 51, Laws of 2012. This includes the development and implementation of the Washington kindergarten inventory of developing skills (WaKIDS).

(v) \$100,000 of the general fund--state appropriation for fiscal year 2014 and \$100,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to subsidize advanced placement exam fees and international baccalaureate class fees and exam fees for low-income students. To be eligible for the subsidy, a student must be either enrolled or eligible to participate in the federal free or reduced price lunch program, and the student must have maximized the allowable federal contribution. The office of the superintendent of public instruction shall set the subsidy in an amount so that the advanced placement exam fee does not exceed \$15.00 and the combined class and exam fee for the international baccalaureate does not exceed \$14.50.

(vi) \$293,000 of the general fund--state appropriation for fiscal year 2014 and \$293,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the office of the superintendent of public instruction to support ((the dissemination of the navigation 101 curriculum to all districts)) district implementation of comprehensive guidance and planning programs consistent with RCW 28A.600.045.

Sec. 502. 2013 2nd sp.s. c 4 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT

General Fund--State Appropriation (FY 2014)	((5,395,289,000))	\$5,386,820,000
General Fund--State Appropriation (FY 2015)	((5,581,336,000))	\$5,599,423,000
Education Legacy Trust Account—		
State Appropriation	((328,563,000))	\$381,563,000
TOTAL APPROPRIATION	((11,305,188,000))	\$11,367,806,000

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

(1)(a) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b) For the 2013-14 and 2014-15 school years, the superintendent shall allocate general apportionment funding to school districts as provided in the funding formulas and salary schedules in sections 502 and 503 of this act, excluding (c) of this subsection.

(c) From July 1, 2013, to August 31, 2013, the superintendent shall allocate general apportionment funding to school districts programs as provided in sections 502 and 503, chapter 50, Laws of 2011 1st sp. sess., as amended.

(d) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the fourth day of school in September and on the first school day of each month October through June, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district. Any school district concluding its basic education program in May must report the enrollment of the last school day held in May in lieu of a June enrollment.

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2013-14 and 2014-15 school years are determined using formula-generated staff units calculated pursuant to this subsection.

(a) Certificated instructional staff units, as defined in RCW 28A.150.410, shall be allocated to reflect the minimum class size allocations, requirements, and school prototypes assumptions as provided in RCW 28A.150.260, except that the allocation for guidance counselors in a middle school shall be 1.216 for the 2013-14 and 2014-15 school years and the allocation for guidance counselors in a high school shall be 2.009 for the 2013-14 school year, which enhancements are within the program of basic education. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent student enrollment in each grade.

(b) Additional certificated instructional staff units provided in this subsection (2) that exceed the minimum requirements in RCW 28A.150.260 are enhancements outside the program of basic education, except as otherwise provided in this section.

(c)(i) The superintendent shall base allocations for each level of prototypical school on the following regular education average class size of full-time equivalent students per teacher, except as provided in (c)(ii) of this subsection:

General education class size:

Grade	RCW 28A.150.260	2013-14 School Year	2014-15 School Year
Grades K-3		25.23	25.23
Grade 4		27.00	27.00
Grades 5-6		27.00	27.00
Grades 7-8		28.53	28.53
Grades 9-12		28.74	28.74

The superintendent shall base allocations for laboratory science, career and technical education (CTE) and skill center programs average class size as provided in RCW 28A.150.260.

(ii) For each level of prototypical school at which more than fifty percent of the students were eligible for free and reduced-price meals in the prior school year, the superintendent shall allocate funding based on the following average class size of full-time equivalent students per teacher:

(A) General education class size in high poverty schools:

Grade	RCW 28A.150.260
Grade 2	24.10
Grade 3	24.10
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74

(B) For grades K-1, class size of 20.85 is provided for high poverty schools for the 2013-14 school year;

(C) For grades K through 1, the superintendent shall, at a minimum, allocate funding to high-poverty schools for the 2014-15 school year based on an average class size of 24.10 full-time equivalent students per teacher. The superintendent shall provide enhanced funding for class size reduction in grades K through 1 to the extent of, and proportionate to, the school's demonstrated actual average class size up to a class size of 20.30 full-time equivalent students per teacher. The office of the superintendent of public instruction shall develop

rules to implement the enhanced funding authorized under (ii)(C) of this subsection and shall distribute draft rules for review no later than December 1, 2013. The office of the superintendent of public instruction shall report the draft rules and proposed methodology to the governor and the appropriate policy and fiscal committees of the legislature by December 1, 2013.

(D) The enhancement in this subsection (2)(c)(ii) is within the program of basic education.

(iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher planning period, expressed as a percentage of a teacher work day, is 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

(iv) (~~Laboratory science~~) Advanced placement(~~(s)~~) and international baccalaureate courses are funded at the same class size assumptions as general education schools in the same grade; and

(d)(i) Funding for teacher librarians, school nurses, social workers, school psychologists, and guidance counselors is allocated based on the school prototypes as provided in RCW 28A.150.260 and (a) of this subsection and is considered certificated instructional staff, except as provided in (d)(ii) of this subsection.

(ii) Students in approved career and technical education and skill center programs generate certificated instructional staff units to provide for the services of teacher librarians, school nurses, social workers, school psychologists, and guidance counselors at the following combined rate per 1000 student(~~(s)~~) full-time equivalent enrollment:

~~((Career and Technical Education
students 2.02 per 1000 student FTE's
Skill Center students 2.36 per 1000 student FTE's))~~

	<u>2013-14 School Year</u>	<u>2014-15 School Year</u>
<u>Career and Technical Education</u>	<u>2.02</u>	<u>2.72</u>
<u>Skill Center</u>	<u>2.36</u>	<u>3.06</u>

(3) ADMINISTRATIVE STAFF ALLOCATIONS

(a) Allocations for school building-level certificated administrative staff salaries for the 2013-14 and 2014-15 school years for general education students are determined using the formula generated staff units calculated pursuant to this subsection. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent enrollment in each grade. The following prototypical school values shall determine the allocation for principals, assistance principals, and other certificated building level administrators:

Prototypical School Building:

Elementary School	1.253
Middle School	1.353
High School	1.880

(b) Students in approved career and technical education and skill center programs generate certificated school building-level administrator staff units at per student rates that are a multiple of the general education rate in (a) of this subsection by the following factors: Career and Technical Education students 1.025

Skill Center students 1.198

(4) CLASSIFIED STAFF ALLOCATIONS

Allocations for classified staff units providing school building-level and district-wide support services for the 2013-14 and 2014-15 school years are determined using the formula-generated staff units provided in RCW 28A.150.260, and adjusted based on each district's annual average full-time equivalent student enrollment in each grade, except that the allocation for parent involvement coordinators in an elementary school shall be 0.0825, which enhancement is within the program of basic education.

(5) CENTRAL OFFICE ALLOCATIONS

In addition to classified and administrative staff units allocated in subsections (3) and (4) of this section, classified and administrative staff units are provided for the 2013-14 and 2014-15 school year for the central office administrative costs of operating a school district, at the following rates:

(a) The total central office staff units provided in this subsection (5) are calculated by first multiplying the total number of eligible certificated instructional, certificated administrative, and classified staff units providing school-based or district-wide support services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

(b) Of the central office staff units calculated in (a) of this subsection, 74.53 percent are allocated as classified staff units, as generated in subsection (4) of this section, and 25.47 percent shall be allocated as administrative staff units, as generated in subsection (3) of this section.

(c) Staff units generated as enhancements outside the program of basic education to the minimum requirements of RCW 28A.150.260, and staff units generated by skill center and career-technical students, are excluded from the total central office staff units calculation in (a) of this subsection.

(d) For students in approved career-technical and skill center programs, central office classified units are allocated at the same staff unit per student rate as those generated for general education students of the same grade in this subsection (5), and central office administrative staff units are allocated at staff unit per student rates that exceed the general education rate established for students in the same grade in this subsection (5) by 1.71 percent in the 2013-14 school year and ~~((2.00))~~ 0.90 percent in the 2014-15 school year for career and technical education students, and ~~((21.60))~~ 21.57 percent in the 2013-14 school year and ~~((45.98))~~ 17.29 percent in the 2014-15 school year for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 18.68 percent in the 2013-14 school year and 18.68 percent in the 2014-15 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 20.95 percent in the 2013-14 school year and 20.95 percent in the 2014-15 school year for classified salary allocations provided under subsections (4) and (5) of this section.

(7) INSURANCE BENEFIT ALLOCATIONS

Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504 of this act, based on the number of benefit units determined as follows:

(a) The number of certificated staff units determined in subsections (2), (3), and (5) of this section; and

(b) The number of classified staff units determined in subsections (4) and (5) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

Funding is allocated per annual average full-time equivalent student for the materials, supplies, and operating costs (MSOC) incurred by school districts, consistent with the requirements of RCW 28A.150.260.

(a) MSOC funding for general education students are allocated at the following per student rates:

MSOC RATES/STUDENT FTE

MSOC Component	2013-14 SCHOOL YEAR	2014-15 SCHOOL YEAR
Technology	\$77.46	((82.16)) <u>\$89.13</u>
Utilities and Insurance	\$210.46	((223.23)) <u>\$242.17</u>
Curriculum and Textbooks	\$83.17	((88.21)) <u>\$95.69</u>
Other Supplies and Library Materials	\$176.56	((187.27)) <u>\$203.16</u>
Instructional Professional Development for Certificated and Classified Staff	\$12.86	((13.64)) <u>\$14.80</u>
Facilities Maintenance	\$104.27	((110.59)) <u>\$119.97</u>
Security and Central Office	\$72.24	((76.62)) <u>\$83.12</u>
TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$737.02	((781.72)) <u>\$848.04</u>

(b) Students in approved skill center programs generate per student FTE MSOC allocations of \$1,244.25 for the 2013-14 school year and ~~((1,262.92))~~ \$1,260.41 for the 2014-15 school year.

(c) Students in approved exploratory and preparatory career and technical education programs generate a per student MSOC allocation of \$1,399.30 for the 2013-14 school year and ~~((1,420.29))~~ \$1,417.48 for the 2014-15 school year.

(d) Students in ~~((laboratory science courses generate per student FTE MSOC allocations which equal the per student FTE rate for general education students established in (a) of this subsection.))~~ grades 9-12 generate per student FTE MSOC allocations in addition to the allocation provided in (a) of this subsection at the following rate:

	<u>2014-15</u> <u>School Year</u>
<u>Technology</u>	<u>\$36.35</u>

<u>Curriculum and Textbooks</u>	\$39.02
<u>Other Supplies and Library Materials</u>	\$82.84
<u>Instructional Professional Development for Certificated and Classified Staff</u>	\$6.04
<u>TOTAL GRADE 9-12 BASIC EDUCATION MSOC/STUDENT FTE</u>	<u>\$164.25</u>

(9) SUBSTITUTE TEACHER ALLOCATIONS

For the 2013-14 and 2014-15 school years, funding for substitute costs for classroom teachers is based on four (4) funded substitute days per classroom teacher unit generated under subsection (2) of this section, at a daily substitute rate of \$151.86.

(10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

(a) Amounts provided in this section from July 1, 2013, to August 31, 2013, are adjusted to reflect provisions of chapter 34, Laws of 2011 1st sp. sess. (allocation of funding for funding for students enrolled in alternative learning experiences).

(b) Amounts provided in this section beginning September 1, 2013, are adjusted to reflect modifications to alternative learning experience courses in Engrossed Substitute Senate Bill No. 5946 (student educational outcomes).

(c) The superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives, as well as accurate, monthly headcount and FTE enrollment claimed for basic education, including separate counts of resident and nonresident students.

(11) DROPOUT REENGAGEMENT PROGRAM

The superintendent shall adopt rules to require students claimed for general apportionment funding based on enrollment in dropout reengagement programs authorized under RCW 28A.175.100 through 28A.175.115 to meet requirements for at least weekly minimum instructional contact, academic counseling, career counseling, or case management contact, starting with the 2014-15 school year. Districts must also provide separate financial accounting of expenditures for the programs offered by the district or under contract with a provider, as well as accurate monthly headcount and full-time equivalent enrollment claimed for basic education, including separate enrollment counts of resident and nonresident students.

(12) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

Funding in this section is sufficient to fund voluntary full day kindergarten programs in qualifying high poverty schools, pursuant to RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls for the voluntary full-day program in a qualifying school shall count as one-half of one full-time equivalent student for purpose of making allocations under this section. Funding in this section provides full-day kindergarten programs for 43.75 percent of kindergarten enrollment in the 2013-14 school year and 43.75 percent in the 2014-15 school year, which enhancement is within the program of basic education.

~~((12) INCREASED INSTRUCTIONAL HOURS FOR GRADES SEVEN THROUGH TWELVE~~

~~(a) School districts shall implement the increased instructional hours for the instructional program of basic education required under the provisions of RCW 28A.150.220(2)(a) beginning with the 2014-15 school year, which enhancement is within the program of basic education.~~

~~(b) Amounts provided in this section are sufficient to fund increased instructional hours in grades seven through twelve. For the 2014-15 school year, the superintendent shall allocate funding to school districts for increased instructional hours. In calculating the allocations, the superintendent shall assume the following averages: (a) Additional instruction of 2.2222 hours per week per full-time equivalent student in grades seven through twelve in school year 2014-15; (b) the general education average class sizes specified in section 502(2)(e); (c) 36 instructional weeks per year; (d) 900 instructional hours per teacher; and (e) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.)~~

(13) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND NECESSARY PLANTS

For small school districts and remote and necessary school plants within any district which have been judged to be remote and necessary by the superintendent of public instruction, additional staff units are provided to ensure a minimum level of staffing support. Additional administrative and certificated instructional staff units provided to districts in this subsection shall be reduced by the general education staff units, excluding career and technical education and skills center enhancement units, otherwise provided in subsections (2) through (5) of this section on a per district basis.

(a) For districts enrolling not more than twenty-five average annual full-time equivalent students in grades K-8, and for small school plants within any school district which have been judged to be remote and necessary by the superintendent of public instruction and enroll not more than twenty-five average annual full-time equivalent students in grades K-8:

(i) For those enrolling no students in grades 7 and 8, 1.76 certificated instructional staff units and 0.24 certificated administrative staff units for enrollment of not more than five students, plus one-twentieth of a certificated instructional staff unit for each additional student enrolled; and

(ii) For those enrolling students in grades 7 or 8, 1.68 certificated instructional staff units and 0.32 certificated administrative staff units for enrollment of not more than five students, plus one-tenth of a certificated instructional staff unit for each additional student enrolled;

(b) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full-time equivalent students in grades K-8, and for small school plants within any school district which enroll more than twenty-five average annual full-time equivalent students in grades K-8 and have been judged to be remote and necessary by the superintendent of public instruction:

(i) For enrollment of up to sixty annual average full-time equivalent students in grades K-6, 2.76 certificated instructional staff units and 0.24 certificated administrative staff units; and

(ii) For enrollment of up to twenty annual average full-time equivalent students in grades 7 and 8, 0.92 certificated instructional staff units and 0.08 certificated administrative staff units;

(c) For districts operating no more than two high schools with enrollments of less than three hundred average annual full-time equivalent students, for enrollment in grades 9-12 in each such school, other than alternative schools, except as noted in this subsection:

(i) For remote and necessary schools enrolling students in any grades 9-12 but no more than twenty-five average annual full-time equivalent students in grades K-12, four and one-half certificated instructional staff units and one-quarter of a certificated administrative staff unit;

(ii) For all other small high schools under this subsection, nine certificated instructional staff units and one-half of a certificated administrative staff unit for the first sixty average annual full-time equivalent students, and additional staff units based on a ratio of 0.8732 certificated instructional staff units and 0.1268 certificated administrative staff units per each additional forty-three and one-half average annual full-time equivalent students;

(iii) Districts receiving staff units under this subsection shall add students enrolled in a district alternative high school and any grades nine through twelve alternative learning experience programs with the small high school enrollment for calculations under this subsection;

(d) For each nonhigh school district having an enrollment of more than seventy annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-8 program or a grades 1-8 program, an additional one-half of a certificated instructional staff unit;

(e) For each nonhigh school district having an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-6 program or a grades 1-6 program, an additional one-half of a certificated instructional staff unit;

(f)(i) For enrollments generating certificated staff unit allocations under (a) through (e) of this subsection, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

(ii) For each nonhigh school district with an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, an additional one-half of a classified staff unit; and

(g) School districts receiving additional staff units to support small student enrollments and remote and necessary plants under this subsection (12) shall generate additional MSOC allocations consistent with the nonemployee related costs (NERC) allocation formula in place for the 2010-11 school year as provided section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually for inflation.

(14) Any school district board of directors may petition the superintendent of public instruction by submission of a resolution adopted in a public meeting to reduce or delay any portion of its basic education allocation for any school year. The superintendent of public instruction shall approve such reduction or delay if it does not impair the district's financial condition. Any delay shall not be for more than two school years. Any reduction or delay shall have no impact on levy authority pursuant to RCW 84.52.0531 and local effort assistance pursuant to chapter 28A.500 RCW.

(15) The superintendent may distribute funding for the following programs outside the basic education formula during fiscal years 2014 and 2015 as follows:

(a) \$605,000 of the general fund--state appropriation for fiscal year 2014 and (~~(\$614,000)~~) \$613,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW.

(b) \$436,000 of the general fund--state appropriation for fiscal year 2014 and \$436,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed \$500 per full-time equivalent student enrolled in those programs.

(16) \$214,000 of the general fund--state appropriation for fiscal year 2014 and (~~(\$217,000)~~) \$216,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for school district emergencies as certified by the superintendent of public instruction. At the close of the fiscal year the superintendent of public instruction shall report to the office of financial management and the appropriate fiscal committees of the legislature on the allocations provided to districts and the nature of the emergency.

(17) Funding in this section is sufficient to fund a maximum of 1.6 FTE enrollment for skills center students pursuant to chapter 463, Laws of 2007.

(18) Students participating in running start programs may be funded up to a combined maximum enrollment of 1.2 FTE including school district and institution of higher education enrollment. In calculating the combined 1.2 FTE, the office of the superintendent of public instruction may average the participating student's September through June enrollment to account for differences in the start and end dates for courses provided by the high school and higher education institution. Additionally, the office of the superintendent of public instruction, in consultation with the state board for community and technical colleges, the student achievement council, and the education data center, shall annually track and report to the fiscal committees of the legislature on the combined FTE experience of students participating in the running start program, including course load analyses at both the high school and community and technical college system.

(19) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (12) of this section, the following apply:

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (12) of this section shall be reduced in increments of twenty percent per year.

(20)(a) Indirect cost charges by a school district to approved career and technical education middle and secondary programs shall not exceed 15 percent of the combined basic education and career and technical education program enhancement allocations of state funds.

Middle and secondary career and technical education programs are considered separate programs for funding and financial reporting purposes under this section.

(b) Career and technical education program full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported career and technical education program enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

(21) \$1,991,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the purpose of Engrossed Second Substitute House Bill No. 2207 (federal forest revenue). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

Sec. 503. 2013 2nd sp.s. c 4 s 505 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION

General Fund--State Appropriation (FY 2014)	((365,120,000))	<u>\$365,048,000</u>
General Fund--State Appropriation (FY 2015)	((427,408,000))	<u>\$429,312,000</u>
TOTAL APPROPRIATION	((792,528,000))	<u>\$794,360,000</u>

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

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school district programs for the transportation of eligible students as provided in RCW 28A.160.192. Funding in this section for school year 2014-15 constitutes full implementation of RCW 28A.160.192, which enhancement is within the program of basic education. Students are considered eligible only if meeting the definitions provided in RCW 28A.160.160.

(b) For the 2014-15 school year, the superintendent shall allocate funding for approved and operating charter schools as provided in RCW 28A.710.220(3). Per-student allocations for pupil transportation must be calculated using the allocation for the previous school year to the school district in which the charter school is located and the number of eligible students in the district, and must be distributed to the charter school based on the number of eligible students.

~~((b))~~ (c) From July 1, 2013 to August 31, 2013, the superintendent shall allocate funding to school districts programs for the transportation of students as provided in section 505, chapter 50, Laws of 2011 1st sp. sess., as amended.

(3) \$558,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for pupil transportation expected cost funding formula adjustments as provided under this subsection. School districts whose efficiency rating is at least ninety-five percent and whose actual prior year costs exceed the expected cost allocations provided through the pupil transportation funding formula due to exceptional circumstances may apply to the superintendent of public instruction to receive a supplemental funding adjustments for a one-year period to offset the excess costs in whole or in part. The superintendent shall adopt criteria for review of applications, which may include exceptional issues related to geography, student demographics, or other one-time circumstances that are not otherwise addressed in the expected cost model. Differences in costs related to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for transportation adjustments. School districts that receive adjustments under this subsection are not guaranteed adjustments in future years and must reapply. Adjustments may not exceed the total appropriation provided in this subsection for fiscal year 2015. Adjustments also may not exceed the difference between the district's school year 2013-14 allocation and the district's expected cost allocation.

~~((3))~~ (4) A maximum of \$892,000 of this fiscal year 2014 appropriation and a maximum of \$892,000 of the fiscal year 2015 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

~~((4))~~ (5) The office of the superintendent of public instruction shall provide reimbursement funding to a school district for school bus purchases only after the superintendent of public instruction determines that the school bus was purchased from the list established pursuant to RCW 28A.160.195(2) or a comparable competitive bid process based on the lowest price quote based on similar bus categories to those used to establish the list pursuant to RCW 28A.160.195.

~~((5))~~ (6) The superintendent of public instruction shall base depreciation payments for school district buses on the pre-sales tax five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment shall be based on the lowest bid in the appropriate bus category for that school year.

~~((6))~~ (7) Funding levels in this section reflect waivers granted by the state board of education for four-day school weeks as allowed under RCW 28A.305.141.

~~((7))~~ (8) The office of the superintendent of public instruction shall annually disburse payments for bus depreciation in August.

Sec. 504. 2013 2nd sp.s. c 4 s 506 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund--State Appropriation (FY 2014)		\$7,111,000
General Fund--State Appropriation (FY 2015)		\$7,111,000
General Fund--Federal Appropriation	((473,326,000))	<u>\$501,326,000</u>
TOTAL APPROPRIATION	((487,548,000))	<u>\$515,548,000</u>

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

(1) \$7,111,000 of the general fund--state appropriation for fiscal year 2014 and \$7,111,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

(a) Elimination of breakfast copays for eligible public school students and lunch copays for eligible public school students in grades kindergarten through third grade who are eligible for reduced price lunch;

- (b) Assistance to school districts and authorized public and private nonprofit organizations for supporting summer food service programs, and initiating new summer food service programs in low-income areas;
- (c) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced price lunch, pursuant to chapter 287, Laws of 2005; and
- (d) Assistance to school districts in initiating and expanding school breakfast programs.

The office of the superintendent of public instruction shall report annually to the fiscal committees of the legislature on annual expenditures in (a), (b), and (c) of this subsection.

Sec. 505. 2013 2nd sp.s. c 4 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2014)	(\$702,149,000)	<u>\$693,894,000</u>
General Fund--State Appropriation (FY 2015)	(\$738,043,000)	<u>\$742,343,000</u>
General Fund--Federal Appropriation	(\$462,022,000)	<u>\$476,122,000</u>
Education Legacy Trust Account--State Appropriation		\$46,151,000
TOTAL APPROPRIATION	(\$1,948,365,000)	<u>\$1,958,510,000</u>

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

(1) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

(2)(a) The superintendent of public instruction shall ensure that:

(i) Special education students are basic education students first;

(ii) As a class, special education students are entitled to the full basic education allocation; and

(iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

(3) Each fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(4)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school district programs for special education students as provided in RCW 28A.150.390, except that the calculation of the base allocation also includes allocations ~~(for increased instructional hours for grades seven through twelve as)~~ provided under section 502~~((12)(b), which enhancement is)~~ for parent involvement coordinators in prototypical elementary schools as provided under section 502(4); and guidance counselors in prototypical middle and high schools as provided under section 502(2)(a), which enhancements are within the program of basic education.

(b) From July 1, 2013 to August 31, 2013, the superintendent shall allocate funding to school district programs for special education students as provided in section 507, chapter 50, Laws of 2011 1st sp. sess., as amended.

(5) The following applies throughout this section: The definitions for enrollment and enrollment percent are as specified in RCW 28A.150.390(3). Each district's general fund--state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 12.7 percent.

(6) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be calculated in accordance with RCW 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(7) ~~(\$22,263,000)~~ \$17,578,000 of the general fund--state appropriation for fiscal year 2014, ~~(\$34,392,000)~~ \$29,948,000 of the general fund--state appropriation for fiscal year 2015, and \$29,574,000 of the general fund--federal appropriation are provided solely for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (4) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (7) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. At the conclusion of each school year, the superintendent shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible.

(a) For the 2013-14 and 2014-15 school years, safety net funds shall be awarded by the state safety net oversight committee as provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

(b) The office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

(8) A maximum of \$678,000 may be expended from the general fund--state appropriations to fund 5.43 full-time equivalent teachers and 2.1 full-time equivalent aides at children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the special education program.

(9) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high-cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

(10) A school district may carry over from one year to the next year up to 10 percent of the general fund--state funds allocated under this program; however, carryover funds shall be expended in the special education program.

(11) \$252,000 of the general fund--state appropriation for fiscal year 2014 and \$252,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(12) \$50,000 of the general fund--state appropriation for fiscal year 2014(~~(\$50,000 of the general fund--state appropriation for fiscal year 2015,))~~ and (~~(\$100,000)~~) \$50,000 of the general fund--federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

(13) Beginning in fiscal year 2015, the superintendent of public instruction must enter into an interagency agreement with the office of the education ombuds to provide special education ombuds services. Up to \$50,000 of the general fund--federal appropriation may be used for this purpose.

Sec. 506. 2013 2nd sp.s. c 4 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund--State Appropriation (FY 2014)	(\$8,143,000)	<u>\$8,121,000</u>
General Fund--State Appropriation (FY 2015)	(\$8,151,000)	<u>\$8,124,000</u>
TOTAL APPROPRIATION	(\$16,294,000)	<u>\$16,245,000</u>

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) Funding within this section is provided for regional professional development related to mathematics and science curriculum and instructional strategies aligned with common core state standards and next generation science standards. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support.

(3) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.305.130, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

Sec. 507. 2013 2nd sp.s. c 4 s 509 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE

General Fund--State Appropriation (FY 2014)	(\$311,174,000)	<u>\$311,882,000</u>
General Fund--State Appropriation (FY 2015)	(\$335,533,000)	<u>\$340,444,000</u>
TOTAL APPROPRIATION	(\$646,707,000)	<u>\$652,326,000</u>

The appropriations in this section are subject to the following conditions and limitations: For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 4.914 percent from the 2012-13 school year to the 2013-14 school year and 4.914 percent from the 2013-14 school year to the 2014-15 school year.

Sec. 508. 2013 2nd sp.s. c 4 s 510 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2014)	(\$15,291,000)	<u>\$13,968,000</u>
General Fund--State Appropriation (FY 2015)	(\$15,493,000)	<u>\$13,964,000</u>
TOTAL APPROPRIATION	(\$30,784,000)	<u>\$27,932,000</u>

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

(1) Each general fund--state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) (~~(\$1,070,000)~~) \$569,000 of the general fund--state appropriation for fiscal year 2014 and (~~(\$1,070,000)~~) \$569,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, programs for juveniles under the juvenile rehabilitation administration, and programs for juveniles operated by city and county jails.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

Sec. 509. 2013 2nd sp.s. c 4 s 511 (uncodified) is amended to read as follows:

FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2014)	(\$9,555,000)	<u>\$9,539,000</u>
General Fund--State Appropriation (FY 2015)	(\$9,677,000)	<u>\$9,685,000</u>
TOTAL APPROPRIATION	(\$19,232,000)	<u>\$19,224,000</u>

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

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c). In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2013, to August 31, 2013, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 50, Laws of 2011 1st sp. sess., as amended.

(3) \$85,000 of the general fund--state appropriation for fiscal year 2014 and \$85,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the centrum program at Fort Worden state park.

Sec. 510. 2013 2nd sp.s. c 4 s 512 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS--NO CHILD LEFT BEHIND ACT

General Fund--Federal Appropriation ((~~\$4,052,000~~))

\$4,302,000

Sec. 511. 2013 2nd sp.s. c 4 s 513 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2014) ((~~\$121,840,000~~)) \$114,340,000

General Fund--State Appropriation (FY 2015) ((~~\$104,524,000~~)) \$101,537,000

General Fund--Federal Appropriation ((~~\$206,234,000~~)) \$217,806,000

General Fund--Private/Local Appropriation \$4,002,000

Education Legacy Trust Account—

State Appropriation ((~~\$1,599,000~~)) \$1,597,000

TOTAL APPROPRIATION ((~~\$438,199,000~~)) \$439,282,000

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

(1)(a) ((~~\$44,575,000~~)) \$38,031,000 of the general fund--state appropriation for fiscal year 2014, ((~~\$27,134,000~~)) \$22,806,000 of the general fund--state appropriation for fiscal year 2015, \$1,350,000 of the education legacy trust account--state appropriation, and \$15,868,000 of the general fund--federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (i) Development and implementation of retake assessments for high school students who are not successful in one or more content areas and (ii) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student assessment results, on or around June 10th of each year. State funding to districts shall be limited to one collection of evidence payment per student, per content-area assessment.

(b) The superintendent of public instruction shall modify the statewide student assessment system and implement assessments developed with a multistate consortium beginning in the 2014-15 school year to assess student proficiency on the standards adopted under RCW 28A.655.071 and including the provisions of House Bill No. 1450.

(c) Within the amounts provided in this section, the superintendent of public instruction shall develop and administer the biology collection of evidence.

(d) Within the amounts provided in this section, the superintendent of public instruction shall create an alternative assessment for students with the most significant cognitive challenges that is aligned to the common core state standards.

(2) \$356,000 of the general fund--state appropriation for fiscal year 2014 and \$356,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events.

(3) \$5,851,000 of the general fund--state appropriation for fiscal year 2014 and \$3,935,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of a new performance-based evaluation for certificated educators and other activities as provided in chapter 235, Laws of 2010 (education reform) and chapter 35, Laws of 2012 (certificated employee evaluations).

(4)(a) ((~~\$45,263,000~~)) \$44,879,000 of the general fund--state appropriation for fiscal year 2014 and ((~~\$49,673,000~~)) \$48,746,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(i) For national board certified teachers, a bonus of \$5,090 per teacher in the 2013-14 and 2014-15 school years;

(ii) An additional \$5,000 annual bonus shall be paid to national board certified teachers who teach in either: (A) High schools where at least 50 percent of student headcount enrollment is eligible for federal free or reduced price lunch, (B) middle schools where at least 60 percent of student headcount enrollment is eligible for federal free or reduced price lunch, or (C) elementary schools where at least 70 percent of student headcount enrollment is eligible for federal free or reduced price lunch;

(iii) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (a)(ii) of this subsection for less than one full school year receive bonuses in a pro-rated manner. All bonuses in (a)(i) and (ii) of this subsection will be paid in July of each school year. Bonuses in (a)(i) and (ii) of this subsection shall be reduced by a factor of 40 percent for first year NBPTS certified teachers, to reflect the portion of the instructional school year they are certified; and

(iv) During the 2013-14 and 2014-15 school years, and within available funds, certificated instructional staff who have met the eligibility requirements and have applied for certification from the national board for professional teaching standards may receive a conditional loan of two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The conditional loan is provided in addition to compensation received under a district's salary schedule and shall not be included in calculations of a district's average salary and associated salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the conditional loan. The office of the superintendent of public instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees. To the extent necessary, the superintendent may use revenues from the repayment of conditional loan scholarships to ensure payment of all national board bonus payments required by this section in each school year.

(5) \$477,000 of the general fund--state appropriation for fiscal year 2014 and \$477,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(6) \$950,000 of the general fund--state appropriation for fiscal year 2014 and \$950,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs.

(7) \$810,000 of the general fund--state appropriation for fiscal year 2014 and \$810,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to operate a state-of-the-art education leadership academy that will be accessible throughout the state. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(8) \$2,000,000 of the general fund--state appropriation for fiscal year 2014 and \$2,000,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a statewide information technology (IT) academy program. This public-private partnership will provide educational software, as well as IT certification and software training opportunities for students and staff in public schools.

(9) \$1,277,000 of the general fund--state appropriation for fiscal year 2014 and \$1,277,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. If equally matched by private donations, \$300,000 of the 2014 appropriation and \$300,000 of the 2015 appropriation shall be used to support FIRST robotics programs. Of the amounts in this subsection, \$100,000 of the fiscal year 2014 appropriation and \$100,000 of the fiscal year 2015 appropriation are provided solely for the purpose of statewide supervision activities for career and technical education student leadership organizations.

(10) \$125,000 of the general fund--state appropriation for fiscal year 2014 and \$125,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of \$2,500 to provide twenty middle and high school teachers each year with professional development training for implementing integrated math, science, technology, and engineering programs in their schools.

(11) \$135,000 of the general fund--state appropriation for fiscal year 2014 and \$135,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for science, technology, engineering and mathematics lighthouse projects, consistent with chapter 238, Laws of 2010.

(12) \$1,000,000 of the general fund--state appropriation for fiscal year 2014 and (~~(\$1,000,000)~~ \$3,000,000) of the general fund--state appropriation for fiscal year 2015 are provided solely for a beginning educator support program. School districts and/or regional consortia may apply for grant funding. The superintendent shall implement this program in 5 to 15 school districts and/or regional consortia. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together; and teacher observation time with accomplished peers. \$250,000 may be used to provide statewide professional development opportunities for mentors and beginning educators.

(13) \$250,000 of the general fund--state appropriation for fiscal year 2014 and \$250,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for advanced project lead the way courses at ten high schools. To be eligible for funding in 2014, a high school must have offered a foundational project lead the way course during the 2012-13 school year. The 2014 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2013-14 school year. To be eligible for funding in 2015, a high school must have offered a foundational project lead the way course during the 2013-14 school year. The 2015 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2014-15 school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(14) \$300,000 of the general fund--state appropriation for fiscal year 2014 and \$300,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for annual start-up grants for aerospace and manufacturing technical programs housed at four skill centers. The grants are provided for start-up equipment and curriculum purchases. To be eligible for funding, the skill center must agree to provide regional high schools with access to a technology laboratory, expand manufacturing certificate and course offerings at the skill center, and provide a laboratory space for local high school teachers to engage in professional development in the instruction of courses leading to student employment certification in the aerospace and manufacturing industries. Once a skill center receives a start-up grant, it is ineligible for additional start-up funding in the following school year. The office of the superintendent of public instruction shall administer the grants in consultation with the center for excellence for aerospace and advanced materials manufacturing.

(15) \$150,000 of the general fund--state appropriation for fiscal year 2014 and \$150,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for annual start-up grants to six high schools to implement the aerospace assembler program.

Participating high schools must agree to offer the aerospace assembler training program to students by spring semester of school year 2013-14. Once a high school receives a start-up grant, it is ineligible for additional start-up funding in the following school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(16) \$10,000,000 of the general fund--state appropriation for fiscal year 2014 and ~~((5,000,000))~~ \$5,027,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the provision of training for teachers in the performance-based teacher principal evaluation program. Of the amounts appropriated in this subsection, \$5,000,000 for fiscal year 2014 is a one-time appropriation, and \$27,000 for fiscal year 2015 is a one-time appropriation provided solely for the office of the superintendent of public instruction to include foundational elements of cultural competence that are aligned with standards developed by the professional educator standards board within the content of the training.

(17) \$3,600,000 of the general fund--state appropriation for fiscal year 2014 and \$6,681,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5329 (persistently failing schools). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(18) \$100,000 of the general fund--state appropriation for fiscal year 2014 and \$100,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to promote the financial literacy of students. The effort will be coordinated through the financial literacy public-private partnership.

(19) \$109,000 of the general fund--state appropriation for fiscal year 2014 and \$99,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the office of the superintendent of public instruction to implement a youth dropout prevention program that incorporates partnerships between community-based organizations, schools, food banks and farms or gardens. The office of the superintendent of public instruction shall select one school district that must partner with an organization that is operating an existing similar program and that also has the ability to serve at least 40 students. Of the amount appropriated in this subsection, up to \$10,000 may be used by the office of the superintendent of public instruction for administration of the program.

(20) ~~((2,399,000))~~ \$1,827,000 of the general fund--state appropriation for fiscal year 2014 and ~~((2,035,000))~~ \$2,194,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to implement Engrossed Substitute Senate Bill No. 5946 (strengthening student educational outcomes). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(21) \$1,110,000 of the general fund--state appropriation for fiscal year 2014 and \$1,061,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for chapter 184, Laws of 2013 (Second Substitute House Bill No. 1642) (academic acceleration). Of the amount appropriated in this section, forty-nine thousand is provided as one-time funding.

(22) \$44,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for Substitute Senate Bill No. 6074 (homeless student educational outcomes). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(23) \$83,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for Second Substitute Senate Bill No. 6163 (expanded learning). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(24) \$21,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for Senate Bill No. 6424 (bilingual seal). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

Sec. 512. 2013 2nd sp.s. c 4 s 514 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund--State Appropriation (FY 2014)	((95,500,000))	<u>\$97,796,000</u>
General Fund--State Appropriation (FY 2015)	((106,120,000))	<u>\$110,084,000</u>
General Fund--Federal Appropriation	((71,016,000))	<u>\$72,116,000</u>
TOTAL APPROPRIATION	((272,636,000))	<u>\$279,996,000</u>

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

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school districts for transitional bilingual programs under RCW 28A.180.010 through 28A.180.080, including programs for exited students, as provided in RCW 28A.150.260(10)(b) and the provisions of this section. In calculating the allocations, the superintendent shall assume the following averages: (i) Additional instruction of 4.7780 hours per week per transitional bilingual program student in grades kindergarten through twelve in school years 2013-14 and 2014-15; (ii) additional instruction of 3.0000 hours per week in school year 2013-14 for the head count number of students who have exited the transitional bilingual instruction program within the previous school year based on their performance on the English proficiency assessment; (iii) additional instruction of 3.0000 hours per week in school year 2014-15 for the head count number of students who have exited the transitional bilingual instruction program within the previous two years based on their performance on the English proficiency assessment; (iv) fifteen transitional bilingual program students per teacher; (v) 36 instructional weeks per year; (vi) 900 instructional hours per teacher; and (vii) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2013, to August 31, 2013, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in section 514, chapter 50, Laws of 2011 1st sp. sess., as amended.

(3) The superintendent may withhold allocations to school districts in subsection (2) of this section solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2) up to the following amounts: ~~((4.76))~~ 1.70 percent for school year 2013-14 and ~~((4.59))~~ 1.53 percent for school year 2014-15.

(4) The general fund--federal appropriation in this section is for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.

(5) \$35,000 of the general fund--state appropriation for fiscal year 2014 and \$35,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to track current and former transitional bilingual program students.

Sec. 513. 2013 2nd sp.s. c 4 s 515 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2014)	(\$196,356,000)	\$194,728,000
General Fund--State Appropriation (FY 2015)	(\$218,335,000)	\$214,877,000
General Fund--Federal Appropriation	(\$448,434,000)	\$450,534,000
TOTAL APPROPRIATION	(\$863,125,000)	\$860,139,000

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

(1) The general fund--state appropriations in this section are subject to the following conditions and limitations:

(a) The appropriations include such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b)(i) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a), except that the allocation for the additional instructional hours shall be enhanced as provided in this section, which enhancements are within the program of the basic education. In calculating the allocations, the superintendent shall assume the following averages: (A) Additional instruction of 2.3975 hours per week per funded learning assistance program student for the 2013-14 school year and the 2014-15 school year; (B) fifteen learning assistance program students per teacher; (C) 36 instructional weeks per year; (D) 900 instructional hours per teacher; and (E) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(ii) From July 1, 2013, to August 31, 2013, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 50, Laws of 2011 1st sp. sess., as amended.

(c) A school district's funded students for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch in the prior school year. Starting with the allocation for the 2014-15 school year, the prior school year's October headcount enrollment for free and reduced price lunch shall be as reported in the comprehensive education data and research system.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

(3) The general fund--federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

(4) A school district may carry over from one year to the next up to 10 percent of the general fund--state funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

Sec. 514. 2013 2nd sp.s. c 4 s 516 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) Amounts distributed to districts by the superintendent through part V of this act are for allocations purposes only, unless specified by part V of this act, and do not entitle a particular district, district employee, or student to a specific service, beyond what has been expressly provided in statute. Part V of this act restates the requirements of various sections of Title 28A RCW. If any conflict exists, the provisions of Title 28A RCW control unless this act explicitly states that it is providing an enhancement. Any amounts provided in part V of this act in excess of the amounts required by Title 28A RCW provided in statute, are not within the program of basic education unless clearly stated by this act.

(2) To the maximum extent practicable, when adopting new or revised rules or policies relating to the administration of allocations in part V of this act that result in fiscal impact, the office of the superintendent of public instruction shall attempt to seek legislative approval through the budget request process.

(3) Appropriations made in this act to the office of the superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act, except as expressly provided in subsection (4) of this section.

(4) The appropriations to the office of the superintendent of public instruction in this act shall be expended for the programs and amounts specified in this act. However, after May 1, 2014, unless specifically prohibited by this act and after approval by the director of financial management, the superintendent of public instruction may transfer state general fund appropriations for fiscal year 2014 among the following programs to meet the apportionment schedule for a specified formula in another of these programs: General apportionment; employee compensation adjustments; pupil transportation; special education programs; institutional education programs; transitional bilingual programs; highly capable; and learning assistance programs.

(5) The director of financial management shall notify the appropriate legislative fiscal committees in writing prior to approving any allotment modifications or transfers under this section.

(6) As required by RCW 28A.710.110, the office of the superintendent of public instruction shall transmit the charter school authorizer oversight fee for the charter school commission to the charter school oversight account.

NEW SECTION. Sec. 515. A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR THE WASHINGTON STATE CHARTER SCHOOL COMMISSION

General Fund--State Appropriation (FY 2014)	\$466,000
General Fund--State Appropriation (FY 2015)	\$556,000
Charter School Oversight Account--State Appropriation	\$17,000
TOTAL APPROPRIATION	\$1,039,000

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

(1) \$125,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for the office of the attorney general costs related to *League of Women Voters v. State of Washington*.

(2) \$137,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for charter school evaluation and oversight.

(End of part)

**PART VI
HIGHER EDUCATION**

Sec. 601. 2013 2nd sp.s. c 4 s 602 (uncodified) is amended to read as follows:

(1) Within the amounts appropriated in this act and chapter 1, Laws of 2013 3rd sp. sess. (aerospace industry appropriations), each institution of higher education is expected to enroll and educate at least the following numbers of full-time equivalent state-supported students per academic year:

	2013-14 Annual Average	2014-15 Annual Average
University of Washington	37,162	37,162
Washington State University	22,228	((22,228)) <u>22,538</u>
Central Washington University	9,105	9,105
Eastern Washington University	8,734	8,734
The Evergreen State College	((4,335)) <u>4,213</u>	((4,335)) <u>4,213</u>
Western Washington University	((12,710)) <u>11,762</u>	((12,710)) <u>11,762</u>
State Board for Community & Technical Colleges		
Adult Students	139,237	((139,237)) <u>139,927</u>
Running Start	11,558	11,558
Students		

(2) In achieving or exceeding these enrollment targets, each institution shall seek to:

(a) Maintain and to the extent possible increase enrollment opportunities at branch campuses;

(b) Maintain and to the extent possible increase enrollment opportunities at university centers and other partnership programs that enable students to earn baccalaureate degrees on community college campuses; and

(c) Eliminate and consolidate programs of study for which there is limited student or employer demand, or that are not areas of core academic strength for the institution, particularly when such programs duplicate offerings by other in-state institutions.

(3) For purposes of monitoring and reporting statewide enrollment, the University of Washington and Washington State University shall notify the office of financial management of the number of full-time student equivalent enrollments budgeted for each of their campuses.

Sec. 602. 2013 2nd sp.s. c 4 s 603 (uncodified) is amended to read as follows:

PUBLIC BACCALAUREATE INSTITUTIONS

(1) In order to operate within the state funds appropriated in this act, the governing boards of the state research universities, the state regional universities, and The Evergreen State College are authorized to adopt and adjust tuition and fees for the 2013-14 and 2014-15 academic years as provided in this section.

(2) For the purposes of chapter 28B.15 RCW, the omnibus appropriations act assumes no increase of tuition levels for resident undergraduate students over the amounts charged to resident undergraduate students for the prior year.

(3) Appropriations in sections 606 through 611 of this act are sufficient to maintain resident undergraduate tuition levels at the levels charged to resident undergraduate students during the 2012-13 academic year. As a result, for the 2013-14 and 2014-15 academic years, the institutions of higher education shall not adopt resident undergraduate tuition levels that are greater than the tuition levels assumed in subsection (2) of this section. ~~((For the 2014-15 academic year, the institutions of higher education are authorized to adopt tuition levels for resident undergraduate students that are less than, equal to, or greater than tuition levels assumed in the omnibus appropriations act in subsection (2) of this section. However, to the extent that tuition levels exceed the tuition levels assumed in subsection (2) of this section the institution of higher education shall be subject to the conditions and limitations provided in RCW 28B.15.102.))~~

(4) Each governing board is authorized to increase tuition charges to graduate and professional students, and to nonresident undergraduate students, by amounts judged reasonable and necessary by the governing board.

(5) Each governing board is authorized to increase summer quarter or semester tuition fees for resident and nonresident undergraduate, graduate, and professional students pursuant to RCW 28B.15.067.

(6) Each governing board is authorized to adopt or increase charges for fee-based, self-sustaining degree programs, credit courses, noncredit workshops and courses, and special contract courses by amounts judged reasonable and necessary by the governing board.

(7) Each governing board is authorized to adopt or increase services and activities fees for all categories of students as provided in RCW 28B.15.069.

(8) Each governing board is authorized to adopt or increase technology fees as provided in RCW 28B.15.069.

(9) Each governing board is authorized to adopt or increase special course and lab fees, and health and counseling fees, to the extent necessary to cover the reasonable and necessary exceptional cost of the course or service.

(10) Each governing board is authorized to adopt or increase administrative fees such as, but not limited to, those charged for application, matriculation, special testing, and transcripts by amounts judged reasonable and necessary by the governing board.

(11) The state universities, the regional universities, and The Evergreen State College must accept the transfer of college-level courses taken by running start students if a student seeking a transfer of the college-level courses has been admitted to the state university, the regional university, or The Evergreen State College, and if the college-level courses are recognized as transferrable by the admitting institution of higher education.

(12) Appropriations in sections 606 through 611 of this act are sufficient to implement 2013-2015 collective bargaining agreements at institutions of higher education negotiated under chapter 41.80 RCW. The institutions may also use these funds for any other purpose including restoring prior compensation reductions, increasing compensation, and implementing other collective bargaining agreements.

Sec. 603. 2013 2nd sp.s. c 4 s 604 (uncodified) is amended to read as follows:

STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

(1) In order to operate within the state funds appropriated in this act, the state board is authorized to adopt and adjust tuition and fees for the 2013-14 and 2014-15 academic years as provided in this section.

(2) For the purposes of chapter 28B.15 RCW, appropriations in the omnibus appropriations act assumes no increase in tuition levels for resident undergraduate students over the amounts charged to resident undergraduate students for the prior year. ~~((For the 2014-15 academic year, the state board is authorized to adopt tuition levels for resident undergraduate students that are less than, equal to, or greater than tuition levels assumed in the omnibus appropriations act in this subsection. However, to the extent that tuition levels exceed the tuition levels assumed in this subsection, the state board shall retain an additional one percent of operating fees above what is already retained pursuant to RCW 28B.15.031 for the purposes of RCW 28B.15.820. For the 2013-2015 fiscal biennium, when expending this additional retained amount, the community and technical colleges are subject to the conditions and limitations in RCW 28B.15.102.))~~ Appropriations in section 604 of this act are sufficient to maintain resident undergraduate tuition levels at the levels charged to resident undergraduate students during the 2012-13 academic year.

(3) For the 2013-14 and 2014-15 academic years, the state board may increase tuition fees charged to resident undergraduates enrolled in upper division applied baccalaureate programs as specified in subsection (2) of this section.

(4) Appropriations in section 605 include the restoration of the three percent reduction in compensation costs taken in the 2011-2013 fiscal biennium. This funding is sufficient to implement 2013-2015 collective bargaining agreements at institutions of higher education negotiated under chapter 41.80 RCW. The colleges may also use the restored funds for any other purpose including restoring prior compensation reductions, increasing compensation, and implementing other collective bargaining agreements.

(5) The state board may increase the tuition fees charged to nonresident students by amounts judged reasonable and necessary by the board.

(6) The trustees of the technical colleges are authorized to either (a) increase operating fees by no more than the percentage increases authorized for community colleges by the state board; or (b) fully adopt the tuition fee charge schedule adopted by the state board for community colleges.

(7) For academic years 2013-14 and 2014-15, the trustees of the technical colleges are authorized to increase building fees by an amount judged reasonable in order to progress toward parity with the building fees charged students attending the community colleges.

(8) The state board is authorized to increase the maximum allowable services and activities fees as provided in RCW 28B.15.069. The trustees of the community and technical colleges are authorized to increase services and activities fees up to the maximum level authorized by the state board.

(9) The trustees of the community and technical colleges are authorized to adopt or increase charges for fee-based, self-sustaining programs such as summer session, international student contracts, and special contract courses by amounts judged reasonable and necessary by the trustees.

(10) The trustees of the community and technical colleges are authorized to adopt or increase special course and lab fees to the extent necessary to cover the reasonable and necessary exceptional cost of the course or service.

(11) The trustees of the community and technical colleges are authorized to adopt or increase administrative fees such as but not limited to those charged for application, matriculation, special testing, and transcripts by amounts judged reasonable and necessary by the trustees.

Sec. 604. 2013 2nd sp.s. c 4 s 605 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2014)	((570,262,000))	\$569,679,000
General Fund--State Appropriation (FY 2015)	((568,999,000))	\$554,963,000
Community/Technical College Capital Projects		
Account--State Appropriation		\$17,548,000
Education Legacy Trust Account—		
State Appropriation	((95,373,000))	\$95,197,000
TOTAL APPROPRIATION	((1,252,182,000))	<u>\$1,237,387,000</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 2014 and \$33,261,000 of the general fund--state appropriation for fiscal year 2015 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 2014 and at least 7,170 full-time equivalent students in fiscal year 2015.

(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) \$100,000 of the general fund--state appropriation for fiscal year 2014 and \$100,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the aerospace center of excellence currently hosted by Everett community college to:

(a) Increase statewide communications and outreach between industry sectors, industry organizations, businesses, K-12 schools, colleges, and universities;

(b) Enhance information technology to increase business and student accessibility and use of the center's web site; and

(c) Act as the information entry point for prospective students and job seekers regarding education, training, and employment in the industry.

(4) \$181,000 of the general fund--state appropriation for fiscal year 2014 and \$181,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the opportunity center for employment and education internet technology integration project at north Seattle community college.

(5) \$255,000 of the general fund--state appropriation for fiscal year 2014 and \$255,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of a maritime industries training program at south Seattle community college.

(6) \$5,250,000 of the general fund--state appropriation for fiscal year 2014 and \$5,250,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the student achievement initiative.

(7) \$500,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for implementation of Second Substitute Senate Bill No. 5624 (STEM or career and tech ed). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(8) \$350,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for a pilot project to embed the year up model within community college campuses.

(9) \$13,000 of the general fund--state appropriation for fiscal year 2014 and \$168,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the implementation of Substitute Senate Bill No. 6129 (paraeducator development). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(10) \$410,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the mathematics engineering science achievement community college programs.

~~((8))~~ (11) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct individuals to online information and other ways of acquiring print catalogs.

~~((9))~~ (12) The state board for community and technical colleges shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 605. 2013 2nd sp.s. c 4 s 606 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2014)	((246,897,000))	\$247,063,000
General Fund--State Appropriation (FY 2015)	((245,200,000))	\$239,472,000
Geoduck Aquaculture Research Account—		
State Appropriation		\$300,000
Education Legacy Trust Account--State Appropriation		\$13,998,000
Economic Development Strategic Reserve Account--		
State Appropriation		\$3,000,000
Biotoxin Account--State Appropriation		\$390,000
Accident Account--State Appropriation	((6,741,000))	\$6,702,000
Medical Aid Account--State Appropriation	((6,546,000))	\$6,528,000
Aquatic Land Enhancement Account--State Appropriation		\$700,000
State Toxics Control Account--State Appropriation		\$1,120,000
TOTAL APPROPRIATION	((524,892,000))	\$519,273,000

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

(1) \$300,000 of the geoduck aquaculture research account--state appropriation is provided solely for the University of Washington sea grant program to commission scientific research studies that examine possible negative and positive effects, including the cumulative effects and the economic contribution, of evolving shellfish aquaculture techniques and practices on Washington's economy and marine ecosystems. The research conducted for the studies is not intended to be a basis for an increase in the number of shellfish harvesting permits available and should be coordinated with any research efforts related to ocean acidification. The University of Washington must submit an annual report detailing any findings and outline the progress of the study, consistent with RCW 43.01.036, to the appropriate legislative committees by December 1st of each year.

(2) \$52,000 of the general fund--state appropriation for fiscal year 2014 and \$52,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the center for international trade in forest products in the college of forest resources.

(3) \$4,459,000 of the general fund--state appropriation for fiscal year 2014 and \$4,459,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the expansion of computer science and engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2014, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, 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 college, and how many students are enrolled in computer science and engineering programs above the 2012-2013 academic year baseline.

(4) \$3,000,000 of the general fund--state appropriation for fiscal year 2014 and \$3,000,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for creation of a clean energy institute. The institute shall integrate physical sciences and engineering with a research focus on energy storage and solar energy.

(5) \$3,000,000 of the economic development strategic reserve account appropriation is provided solely to support the joint center for aerospace innovation technology.

(6) Within existing resources the University of Washington may: (a) Form and implement an integrated innovation institute and research, planning, and outreach initiatives at the Olympic national resources center; and (b) accredit a four-year undergraduate forestry program from the society of American foresters. Accreditation may occur in conjunction with reaccreditation of the master of forest resources program.

(7) \$700,000 of the aquatic lands enhancement account--state appropriation and \$1,120,000 of the state toxics control account--state appropriation are provided solely for the center on ocean acidification and related work necessary to implement the recommendations of the governor's blue ribbon task force on ocean acidification. The university shall provide staffing for this purpose.

(8) \$1,000,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the institute of protein design to support the commercialization of translational projects.

(9) \$400,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the University of Washington-Tacoma to develop a law school.

~~((8))~~ (10) The University of Washington shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 606. 2013 2nd sp.s. c 4 s 607 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund--State Appropriation (FY 2014)	((156,616,000))	\$156,867,000
General Fund--State Appropriation (FY 2015)	((157,701,000))	\$154,106,000
Education Legacy Trust Account--State Appropriation		\$33,995,000
TOTAL APPROPRIATION	((348,312,000))	\$344,968,000

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

(1) Within existing resources, Washington State University shall establish an accredited forestry program.

(2) \$2,856,000 of the general fund--state appropriation for fiscal year 2014 and \$2,857,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the expansion of computer science and engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2014, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, 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 college, and how many students are enrolled in computer science and engineering programs above the 2012-2013 academic year baseline.

(3) \$25,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for the Ruckelshaus center to collaborate with local governments, the media, and representatives of the public regarding public record requests made to local government. The center shall facilitate meetings and discussions and report to the appropriate committees of the legislature. The report shall include information on:

(a) Recommendations related to balancing open public records with concerns of local governments related to interfering with the work of the local government;

(b) Resources necessary to accommodate requests;

(c) Potential harassment of government employees;

(d) Potential safety concerns of people named in the record;

(e) Potentially assisting criminal activity; and

(f) Other issues brought forward by the participants.

The center shall report to the appropriate committees of the legislature by December 15, 2013.

(4) \$300,000 of the general fund--state appropriation for fiscal year 2014 and \$300,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington State University agricultural research center to conduct public outreach and education related to nonlethal methods of mitigating conflicts between livestock and large wild carnivores. Of the amounts provided in this subsection, \$200,000 of the general fund--state appropriation for fiscal year 2014 and \$200,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to the center to conduct a detailed analysis of such methods. The amounts appropriated in this subsection may not be subject to an administrative fee or charge, and must be used for costs directly associated with the research and analysis.

(5) \$2,400,000 of the general fund--state appropriation for fiscal year 2014 and \$3,600,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for expansion of medical education and biomedical research in Spokane.

(6) \$250,000 of the general fund--state appropriation for fiscal year 2014 and \$500,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for state match requirements related to the federal aviation administration grant.

~~((6))~~ (7) Washington State University shall not use funds appropriated in this section to support intercollegiate athletic programs.

Sec. 607. 2013 2nd sp.s. c 4 s 608 (uncodified) is amended to read as follows:

FOR EASTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2014)	((31,674,000))	\$31,386,000
General Fund--State Appropriation (FY 2015)	((31,619,000))	\$31,808,000
Education Legacy Trust Account—		
State Appropriation	((15,470,000))	\$14,941,000
TOTAL APPROPRIATION	((78,763,000))	\$78,135,000

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

(1) At least \$200,000 of the general fund--state appropriation for fiscal year 2014 and at least \$200,000 of the general fund--state appropriation for fiscal year 2015 shall be expended on the Northwest autism center.

(2) \$1,000,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the expansion of engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2015, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, 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 college, and how many students are enrolled in computer science and engineering programs above the 2013-2014 academic year baseline.

(3) Eastern Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 608. 2013 2nd sp.s. c 4 s 609 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2014)	(\$29,719,000)	<u>\$29,733,000</u>
General Fund--State Appropriation (FY 2015)	(\$29,533,000)	<u>\$29,487,000</u>
Education Legacy Trust Account--State Appropriation		\$19,076,000
TOTAL APPROPRIATION	(\$78,328,000)	<u>\$78,296,000</u>

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

(1) \$25,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for the college of education to conduct a study identifying the duties encompassed in a state-funded teacher's typical work day. The study must include an estimate of the percent of a teacher's typical day that is spent on teaching related duties and the percentage of the teacher's day that is spent on duties that are not directly related to teaching. The university shall submit a report to the appropriate committees of the legislature by December 1, 2013.

(2) Amounts appropriated in this section are sufficient for the university to develop a plan to create an online degree granting entity that awards degrees based on an alternative credit model. The university shall submit a final plan by December 1, 2013, to the higher education committees of the legislature.

(3) Central Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

(4) \$1,000,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the expansion of computer science and engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2015, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, 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 college, and how many students are enrolled in computer science and engineering programs above the 2013-2014 academic year baseline.

Sec. 609. 2013 2nd sp.s. c 4 s 610 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

General Fund--State Appropriation (FY 2014)	(\$18,563,000)	<u>\$18,351,000</u>
General Fund--State Appropriation (FY 2015)	(\$17,911,000)	<u>\$17,371,000</u>
Education Legacy Trust Account--State Appropriation		\$5,450,000
TOTAL APPROPRIATION	(\$41,924,000)	<u>\$41,172,000</u>

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

~~((3))~~ (1) \$100,000 of the general fund--state appropriation for fiscal year 2014 and \$50,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington state institute for public policy to conduct a comprehensive retrospective outcome evaluation and return on investment analysis of the early learning childhood program pursuant to Senate Bill No. 5904 (high quality early learning). This evaluation is due December 15, 2014. If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

~~((4))~~ (2) \$50,000 of the general fund--state appropriation for fiscal year 2014 and \$50,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington state institute for public policy to develop a risk assessment instrument for patients committed for involuntary treatment in Washington state.

~~((5))~~ (3) \$58,000 of the general fund--state appropriation for fiscal year 2014 and \$27,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the Washington state institute for public policy to prepare an inventory of evidence-based and research-based effective practices, activities, and programs for use by school districts in the learning assistance program pursuant to Engrossed Second Substitute Senate Bill No. 5946 (student educational outcomes), including partnerships with community-based organizations that deliver academic and nonacademic supports to students who are significantly at-risk of not being successful in school, such as one-to-one services to overcome barriers of success at school and school-wide afterschool academic support. The initial inventory is due by August 1, 2014, and shall be updated every two years thereafter. If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

~~((6))~~ (4) \$50,000 of the general fund--state appropriation for fiscal year 2014 are provided solely for the Washington state institute for public policy to provide expertise to the department of corrections on the implementation of programming that follows the risk needs responsivity model. In consultation with the department of corrections, the institute will systematically review selected programs for outcome measures.

(5) The Washington state institute for public policy shall examine the drug offender sentencing alternative for offenders sentenced to residential treatment in the community. The institute shall examine its effectiveness on recidivism and conduct a benefit-cost analysis. The institute shall report its findings by December 1, 2014.

(6) \$75,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for Washington state institute for public policy to complete a comprehensive assessment of the utilization and capacity needs of crisis mental health services provided by the department of social and health services. The study shall include, but not be limited to:

(a) An update to statewide utilization and capacity figures for evaluation and treatment facilities, inpatient psychiatric beds, and regional support network-funded crisis facilities, including an estimate of the effect of the implementation of chapter 280, Laws of 2010 and chapter 335, Laws of 2013 on the capacity of the involuntary commitment system. The department shall work with the institute as needed on data collection procedures necessary to identify commitments associated with newly implemented standards;

(b) A longitudinal study of outcomes and public costs for adults receiving regional support network-funded crisis response services compared to adults evaluated for involuntary commitment who are not subsequently committed, and adults who receive a seventy-two hour involuntary commitment. Outcomes may include subsequent jail bookings or convictions, use of publicly funded medical care, and deaths; and

(c) A review of practices in other states regarding third-party initiation of a civil commitment petition, and an assessment of the comparative effectiveness of this change compared to other alternative practices for which comprehensive studies are available.

A preliminary report must be provided by December 1, 2015, and a final report by December 1, 2016.

(7) \$50,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for Washington state institute for public policy to conduct a comprehensive study of tobacco and e-cigarette prevention programs that will yield the highest public health benefit and reduce tobacco use. In conducting this study, the institute shall identify: (a) The most effective population-based approaches and what targeted populations will yield the greatest return on investment; and (b) other state models, including the "Friday night light" program in California, that yield the greatest likelihood of reducing state health care costs. The institute shall work with the department of health to determine which programs can be brought to scale most efficiently. The institute shall report its findings to the appropriate committees of the legislature by December 31, 2014.

(8) Funding provided in this section is sufficient for The Evergreen State College to continue operations of the Longhouse Center and the Northwest Indian applied research institute.

(9) Notwithstanding other provisions in this section, the board of directors for the Washington state institute for public policy may adjust due dates for projects included on the institute's 2013-2015 work plan as necessary to efficiently manage workload.

(10) The Evergreen State College shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 610. 2013 2nd sp.s. c 4 s 611 (uncodified) is amended to read as follows:

FOR WESTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2014)	((44,542,000))	<u>\$44,521,000</u>
General Fund--State Appropriation (FY 2015)	((44,377,000))	<u>\$43,341,000</u>
Education Legacy Trust Account—		
State Appropriation	((13,050,000))	<u>\$12,895,000</u>
TOTAL APPROPRIATION	((101,969,000))	<u>\$100,757,000</u>

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

(1) \$1,497,000 of the general fund--state appropriation for fiscal year 2014 and \$1,498,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the expansion of computer science and engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2014, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, 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 college, and how many students are enrolled in computer science and engineering programs above the 2012-2013 academic year baseline.

(2) Western Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 611. 2013 2nd sp.s. c 4 s 612 (uncodified) is amended to read as follows:

FOR THE STUDENT ACHIEVEMENT COUNCIL--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 2014)	((5,307,000))	<u>\$5,320,000</u>
General Fund--State Appropriation (FY 2015)	((5,318,000))	<u>\$5,287,000</u>
General Fund--Federal Appropriation	((4,817,000))	<u>\$4,811,000</u>
TOTAL APPROPRIATION	((15,442,000))	<u>\$15,418,000</u>

The appropriations in this section are subject to the following conditions and limitations: The student achievement council is authorized to increase or establish fees for initial degree authorization, degree authorization renewal, degree authorization reapplication, new program applications, and new site applications pursuant to RCW 28B.85.060.

Sec. 612. 2013 2nd sp.s. c 4 s 613 (uncodified) is amended to read as follows:

FOR THE STUDENT ACHIEVEMENT COUNCIL--OFFICE OF STUDENT FINANCIAL ASSISTANCE

General Fund--State Appropriation (FY 2014)	((245,122,000))	<u>\$245,124,000</u>
General Fund--State Appropriation (FY 2015)	((244,674,000))	<u>\$244,666,000</u>
General Fund--Federal Appropriation	((11,648,000))	<u>\$11,639,000</u>
General Fund--Private/Local Appropriation	((34,000))	<u>\$334,000</u>
Education Legacy Trust Account—		
State Appropriation	((36,036,000))	<u>\$79,651,000</u>
Washington Opportunity Pathways Account—		
State Appropriation	((147,000,000))	<u>\$141,000,000</u>
TOTAL APPROPRIATION	((684,514,000))	<u>\$722,414,000</u>

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

(1) \$237,454,000 of the general fund--state appropriation for fiscal year 2014, \$237,455,000 of the general fund--state appropriation for fiscal year 2015, \$6,000,000 of the education legacy trust account--state appropriation, and ((~~\$147,000,000~~) \$141,000,000 of the Washington opportunity pathways account--state appropriation are provided solely for student financial aid payments under the state need grant and state work study programs including up to four percent administrative allowance for the state work study program. Of the amounts provided in this subsection, \$100,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the council to develop an alternative financial aid application system to implement Senate Bill No. 6523 (higher education opportunities).

(2) Changes made to the state need grant program in the 2011-2013 fiscal biennium are continued in the 2013-2015 fiscal biennium including aligning increases in awards given to private institutions with the annual tuition increases for public research institutions or the private institution's average annual tuition increase experience of 3.5 percent per year, whichever is less, ~~(, and reducing the awards for students who first enrolled as a new student in for-profit institutions as of the 2011-2012 academic year or thereafter by fifty percent, except that one half of the fifty percent reduction shall be restored on July 1, 2013, for students attending regionally accredited for-profit institutions).~~ For the 2015-2017 fiscal biennium, it is the intent of the legislature to reconsider grant awards for students at private four-year institutions.

(3) Changes made to the state work study program in the 2009-2011 and 2011-2013 fiscal biennia are continued in the 2013-2015 fiscal biennium including maintaining the increased required employer share of wages; adjusted employer match rates; discontinuation of nonresident student eligibility for the program; and revising distribution methods to institutions by taking into consideration other factors such as off-campus job development, historical utilization trends, and student need.

(4) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size, and shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(5)(a) Students who are eligible for the college bound scholarship shall be given priority for the state need grant program if the students have applied by the institution's priority financial aid deadline and have completed their financial aid file in a timely manner. These eligible college bound students whose family incomes are in the 0-65 median family income ranges shall be awarded the maximum state need grant for which they are eligible under state policies and may not be denied maximum state need grant funding due to institutional policies or delayed awarding of college bound scholarship students.

(b) In calculating the college bound award, public institutions of higher education shall be subject to the conditions and limitations in RCW 28B.15.102 and shall not utilize college bound funds to offset tuition costs from rate increases in excess of levels authorized in section 603, chapter 50, Laws of 2011 and those assumed in section 602 or 603 of this act.

(6) ~~((~~\$36,036,000~~))~~ \$48,297,000 of the education legacy trust account--state appropriation is provided solely for the college bound scholarship program and may support scholarships for summer session. This amount assumes that college bound scholarship recipients will receive priority for state need grant awards in fiscal year 2014 and fiscal year 2015. If this policy of prioritization is not fully achieved, it is the intent of this legislation to provide supplemental appropriations in the 2014 supplemental operating budget.

(7) \$2,236,000 of the general fund--state appropriation for fiscal year 2014 and \$2,236,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for the passport to college program. The maximum scholarship award shall be \$5,000. The board shall contract with a nonprofit organization to provide support services to increase student completion in their postsecondary program and shall, under this contract, provide a minimum of \$500,000 in fiscal years 2014 and 2015 for this purpose.

(8) \$25,354,000 of the education legacy trust account--state appropriation is provided solely to meet state match requirements associated with the opportunity scholarship program.

(9) In developing the skilled and educated workforce report pursuant to RCW 28B.77.080(3), the council shall use the bureau of labor statistics analysis of the education and training requirements of occupations, in addition to any other method the council may choose to use, to assess the number and type of higher education and training credentials required to match employer demand for a skilled and educated workforce.

Sec. 613. 2013 2nd sp.s. c 4 s 614 (uncodified) is amended to read as follows:

FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund--State Appropriation (FY 2014)	((\$1,582,000))	<u>\$1,556,000</u>
General Fund--State Appropriation (FY 2015)	((\$1,478,000))	<u>\$1,424,000</u>
General Fund--Federal Appropriation	((\$54,260,000))	<u>\$54,797,000</u>
General Fund--Private/Local		<u>\$44,000</u>
TOTAL APPROPRIATION	((\$57,320,000))	<u>\$57,821,000</u>

The appropriations in this section are subject to the following conditions and limitations: For the 2013-2015 fiscal biennium the board shall not designate recipients of the Washington award for vocational excellence or recognize them at award ceremonies as provided in RCW 28C.04.535.

Sec. 614. 2013 2nd sp.s. c 4 s 615 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

General Fund--State Appropriation (FY 2014)	((\$34,253,000))	<u>\$30,605,000</u>
General Fund--State Appropriation (FY 2015)	((\$48,689,000))	<u>\$52,336,000</u>
General Fund--Federal Appropriation	((\$293,652,000))	<u>\$295,177,000</u>
General Fund--Private/Local		<u>\$50,000</u>
Opportunity Pathways Account--State Appropriation		<u>\$80,000,000</u>

Home Visiting Services Account--State Appropriation		\$2,868,000
Home Visiting Services Account—		
Federal Appropriation	(\$22,756,000)	<u>\$22,753,000</u>
Children's Trust Account--State Appropriation		\$180,000
TOTAL APPROPRIATION	(\$482,398,000)	<u>\$483,969,000</u>

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

(1) \$20,229,000 of the general fund--state appropriation for fiscal year 2014, \$36,474,000 of the general fund--state appropriation for fiscal year 2015, and \$80,000,000 of the opportunity pathways account appropriation are provided solely for the early childhood education assistance program services. Of these amounts, \$10,284,000 is a portion of the biennial amount of state maintenance of effort dollars required to receive federal child care and development fund grant dollars.

(2) \$638,000 of the general fund--state appropriation for fiscal year 2014, and \$638,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for child care resource and referral network services.

(3) \$200,000 of the general fund--state appropriation for fiscal year 2014 and \$200,000 of the general fund--state appropriation for fiscal year 2015 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(4) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to the department of social and health services to fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

(5) \$1,434,000 of the general fund--state appropriation for fiscal year 2014, \$1,434,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for expenditure into the home visiting services account. This funding is intended to meet federal maintenance of effort requirements and to secure private matching funds.

(6)(a) \$153,717,000 of the general fund--federal appropriation is provided solely for the working connections child care program under RCW 43.215.135.

(b) In addition to groups that were given prioritized access to the working connections child care program effective March 1, 2011, the department shall also give prioritized access into the program to families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center.

(c) Within the amounts provided in (a) of this subsection, the department is authorized to serve up to 20 percent of the working connections households through contracted slots. The department may achieve this by contracting with the working connections child care providers and with early childhood education assistance program providers to braid funding between working connection child care program and the education assistance program to support a full-day preschool experience for eligible children.

(7) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report quarterly enrollments and active caseload for the working connections child care program to the legislative fiscal committees and the legislative-executive WorkFirst oversight task force. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care. The department must also report on the number of children served through contracted slots.

(8) ~~(\$1,025,000)~~ \$1,194,000 of the general fund--state appropriation for fiscal year 2014, ~~(\$1,025,000)~~ \$1,738,000 of the general fund--state appropriation for fiscal year 2015, and \$13,424,000 of the general fund--federal appropriation are provided solely for the seasonal child care program. If federal sequestration cuts are realized, cuts to the seasonal child care program must be proportional to other federal reductions made within the department.

(9) ~~(\$3,572,000)~~ \$4,438,000 of the general fund--state appropriation for fiscal year 2014, ~~(\$2,522,000)~~ \$4,674,000 of the general fund--state appropriation for fiscal year 2015, and ~~(\$4,304,000)~~ \$236,000 of the general fund--federal appropriation are provided solely for the medicaid treatment child care (MTCC) program. The department shall contract for MTCC services to provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department of social and health services children's administration. In addition to referrals made by children's administration, the department shall authorize services for children referred to the MTCC program, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC program.

(a) Of the amounts appropriated in this subsection, \$60,000 per fiscal year may be used by the department for administering the MTCC program, if needed.

(b) Of the amounts provided in this subsection, ~~(\$1,050,000)~~ \$1,916,000 of the general fund--state appropriation for fiscal year 2014 is provided solely to continue providing services in the event of losing federal funding for the MTCC program. To the extent that the moneys provided in this subsection (9)(b) are not necessary for this purpose, the amounts provided shall lapse.

(10) \$150,000 of the general fund--state appropriation for fiscal year 2014 and ~~(\$150,000)~~ \$200,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for a contract with a nonprofit entity experienced in the provision of promoting early literacy for children through pediatric office visits.

(11) \$721,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for the department to complete development work of the electronic benefits transfer system.

(12) ~~(\$793,000)~~ \$221,000 of the general fund--state appropriation for fiscal year 2014 and ~~(\$796,000)~~ \$1,234,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for implementation of an electronic benefits transfer system. To the maximum extent possible, the department shall work to integrate this system with the department of social and health services payment system. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(13) \$32,000 of the general fund--state appropriation for fiscal year 2014 is provided solely for implementation of Second Substitute Senate Bill No. 5595 (child care reform). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(14)(a)(i) The department of early learning is required to provide to the education research and data center, housed at the office of financial management, data on all state-funded early childhood programs. These programs include the early support for infants and toddlers, early childhood education and assistance program (ECEAP), and the working connections and seasonal subsidized childcare programs including license exempt facilities or family, friend, and neighbor care. The data provided by the department to the education research data center must include information on children who participate in these programs, including their name and date of birth, and dates the child received services at a particular facility.

(ii) The ECEAP early learning professionals must enter qualifications into the department's professional development registry during the 2013-14 school year. By October 2015, the department must provide ECEAP early learning professional data to the education research data center.

(iii) The department must request federally funded head start programs to voluntarily provide data to the department and the education research data center that is equivalent to what is being provided for state-funded programs.

(iv) The education research and data center must provide a report on early childhood program participation and K-12 outcomes to the house of representatives appropriations committee and the senate ways and means committee using available data by November 2013 for the school year ending in 2012 and again in March 2014 for the school year ending in 2013.

(b) The department, in consultation with the department of social and health services, must withhold payment for services to early childhood programs that do not report on the name, date of birth, and the dates a child received services at a particular facility.

(15) \$2,369,000 of the general fund--state appropriation for fiscal year 2015 is provided solely for the department to implement early achievers tiered reimbursement for child care center providers. The department shall establish tiered reimbursement pilot projects for providers in levels III, IV, and V of early achievers. The tiered reimbursement rates shall be implemented equitably across provider types. The department shall base the rates for tiered reimbursement on the child care cost model study completed in 2013 and factor in any increases in the base subsidy rate in establishing the tier reimbursement rates.

Sec. 615. 2013 2nd sp.s. c 4 s 616 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND

General Fund--State Appropriation (FY 2014)	(\$6,032,000)	<u>\$5,975,000</u>
General Fund--State Appropriation (FY 2015)	(\$5,805,000)	<u>\$5,752,000</u>
General Fund--Private/Local Appropriation	(\$15,000)	<u>\$5,000</u>
TOTAL APPROPRIATION	(\$11,852,000)	<u>\$11,732,000</u>

Sec. 616. 2013 2nd sp.s. c 4 s 617 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS

General Fund--State Appropriation (FY 2014)	(\$8,615,000)	<u>\$8,758,000</u>
General Fund--State Appropriation (FY 2015)	(\$8,591,000)	<u>\$8,528,000</u>
TOTAL APPROPRIATION	(\$17,206,000)	<u>\$17,286,000</u>

Sec. 617. 2013 2nd sp.s. c 4 s 618 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund--State Appropriation (FY 2014)	(\$1,125,000)	<u>\$1,093,000</u>
General Fund--State Appropriation (FY 2015)	(\$1,101,000)	<u>\$1,093,000</u>
General Fund--Federal Appropriation	(\$2,074,000)	<u>\$2,071,000</u>
General Fund--Private/Local Appropriation	(\$12,000)	<u>\$29,000</u>
TOTAL APPROPRIATION	(\$4,312,000)	<u>\$4,286,000</u>

Sec. 618. 2013 2nd sp.s. c 4 s 619 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2014)	(\$2,123,000)	<u>\$2,134,000</u>
General Fund--State Appropriation (FY 2015)	(\$2,150,000)	<u>\$2,129,000</u>
TOTAL APPROPRIATION	(\$4,273,000)	<u>\$4,263,000</u>

Sec. 619. 2013 2nd sp.s. c 4 s 620 (uncodified) is amended to read as follows:

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2014)	(\$1,600,000)	<u>\$1,624,000</u>
General Fund--State Appropriation (FY 2015)	(\$1,530,000)	<u>\$1,558,000</u>
TOTAL APPROPRIATION	(\$3,130,000)	<u>\$3,182,000</u>

(End of part)

**PART VII
SPECIAL APPROPRIATIONS**

Sec. 701. 2013 2nd sp.s. c 4 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2014)	(\$741,362,000)	<u>\$830,140,000</u>
General Fund--State Appropriation (FY 2015)	(\$1,060,322,000)	<u>\$973,235,000</u>
State Building Construction Account—		
State Appropriation	(\$4,297,000)	<u>\$8,164,000</u>
Columbia River Basin Water Supply Development Account—		
State Appropriation	(\$269,000)	<u>\$473,000</u>
State Taxable Building Construction Account—		
State Appropriation	(\$211,000)	<u>\$2,621,000</u>
Debt-Limit Reimbursable Bond Retire Account—		
State Appropriation		<u>\$2,320,000</u>
<u>Hood Canal Aquatic Rehabilitation Bond Account—</u>		

State Appropriation		<u>\$1,000</u>
Columbia River Basin Taxable Bond Water Supply		
Development Account--State Appropriation		<u>\$182,000</u>
TOTAL APPROPRIATION	(\$1,808,781,000)	<u>\$1,817,136,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2014 shall be expended into the debt-limit general fund bond retirement account by June 30, 2014.

Sec. 702. 2013 2nd sp.s. c 4 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

Accident Account--State Appropriation	(\$4,138,000)	<u>\$4,139,000</u>
Medical Aid Account--State Appropriation	(\$4,138,000)	<u>\$4,139,000</u>
TOTAL APPROPRIATION	(\$8,276,000)	<u>\$8,278,000</u>

Sec. 703. 2013 2nd sp.s. c 4 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund--State Appropriation (FY 2014)		\$25,636,000
General Fund--State Appropriation (FY 2015)	(\$16,102,000)	<u>\$16,103,000</u>
Nondebt-Limit Reimbursable Bond Retirement Account--		
State Appropriation	(\$140,215,000)	<u>\$139,953,000</u>
TOTAL APPROPRIATION	(\$181,953,000)	<u>\$181,692,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for expenditure into the nondebt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2014 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2014.

Sec. 704. 2013 2nd sp.s. c 4 s 704 (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

General Fund--State Appropriation (FY 2014)	(\$1,726,000)	<u>\$1,401,000</u>
General Fund--State Appropriation (FY 2015)	(\$1,726,000)	<u>\$1,401,000</u>
State Building Construction Account--		
State Appropriation	(\$867,000)	<u>\$2,156,000</u>
Columbia River Basin Water Supply Development Account--		
State Appropriation	(\$57,000)	<u>\$66,000</u>
State Taxable Building Construction Account--		
State Appropriation	(\$45,000)	<u>\$324,000</u>
Hood Canal Aquatic Rehabilitation Bond Account--		
State Appropriation		<u>\$1,000</u>
Columbia River Basin Taxable Bond Water Supply Development Account--		
State Appropriation		<u>\$18,000</u>
TOTAL APPROPRIATION	(\$4,421,000)	<u>\$5,367,000</u>

Sec. 705. 2013 2nd sp.s. c 4 s 706 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--DISASTER RESPONSE ACCOUNT

General Fund--State Appropriation (FY 2014)	(\$5,100,000)	<u>\$3,600,000</u>
General Fund--State Appropriation (FY 2015)	(\$2,500,000)	<u>\$1,000,000</u>
TOTAL APPROPRIATION	(\$7,600,000)	<u>\$4,600,000</u>

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the disaster response account for emergency fire suppression by the department of natural resources and to complete projects necessary to recover from previously declared disasters.

Sec. 706. 2013 2nd sp.s. c 4 s 710 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--COUNTY PUBLIC HEALTH ASSISTANCE

General Fund--State Appropriation (FY 2014)	\$36,386,000
General Fund--State Appropriation (FY 2015)	\$36,386,000
TOTAL APPROPRIATION	\$72,772,000

The appropriations in this section are subject to the following conditions and limitations: The state treasurer shall distribute the appropriations to the following counties and health districts in the amounts designated to support public health services, including public health nursing:

Health District	FY 2014	FY 2015	2013-15 Biennium
Adams County Health District	\$121,213	\$121,213	\$242,426

Asotin County Health District	\$159,890	\$159,890	\$319,780
Benton-Franklin Health District	\$1,614,337	\$1,614,337	\$3,228,674
Chelan-Douglas Health District	\$399,634	\$399,634	\$799,268
Clallam County Health and Human Services Department	\$291,401	\$291,401	\$582,802
Clark County Health District	\$1,767,341	\$1,767,341	\$3,534,682
Skamania County Health Department	\$111,327	\$111,327	\$222,654
Columbia County Health District	\$119,991	\$119,991	\$239,982
Cowlitz County Health Department	\$477,981	\$477,981	\$955,962
Garfield County Health District	\$93,154	\$93,154	\$186,308
Grant County Health District	\$297,761	\$297,762	\$595,523
Grays Harbor Health Department	\$335,666	\$335,666	\$671,332
Island County Health Department	\$255,224	\$225,224	\$510,448
Jefferson County Health and Human Services	\$184,080	\$184,080	\$368,160
Seattle-King County Department of Public Health	\$10,558,598	(\$10,558,598)	(\$21,117,196)
		<u>\$12,685,521</u>	<u>\$23,244,119</u>
Bremerton-Kitsap County Health District	\$997,476	\$997,476	\$1,994,952
Kittitas County Health Department	\$198,979	\$198,979	\$397,958
Klickitat County Health Department	\$153,784	\$153,784	\$307,568
Lewis County Health Department	\$263,134	\$263,134	\$526,268
Lincoln County Health Department	\$113,917	\$113,917	\$227,834
Mason County Department of Health Services	\$227,448	\$227,448	\$454,896
Okanogan County Health District	\$169,882	\$169,882	\$339,764
Pacific County Health Department	\$169,075	\$169,075	\$338,150
Tacoma-Pierce County Health Department	\$4,143,169	\$4,143,169	\$8,286,338
San Juan County Health and Community Services	\$2,253,493	(\$2,253,493)	(\$4,506,986)
		<u>\$126,569</u>	<u>\$2,380,062</u>
Skagit County Health Department	\$449,745	\$449,745	\$899,490
Snohomish Health District	\$3,433,291	\$3,433,291	\$6,866,582
Spokane County Health District	\$2,877,318	\$2,877,318	\$5,754,636
Northeast Tri-County Health District	\$249,303	\$249,303	\$498,606
Thurston County Health Department	\$1,046,897	\$1,046,897	\$2,093,794
Wahkiakum County Health Department	\$93,181	(\$9,180)	(\$186,361)
		<u>\$93,181</u>	<u>\$186,362</u>
Walla Walla County-City Health Department	\$302,173	\$302,173	\$604,346
Whatcom County Health Department	\$1,214,301	\$1,214,301	\$2,428,602
Whitman County Health Department	\$189,355	\$189,355	\$378,710

Yakima Health District	\$1,052,482	\$1,052,482	\$2,104,964
TOTAL APPROPRIATIONS	\$36,386,001	\$36,386,001	\$72,772,002

Sec. 707. 2013 2nd sp.s. c 4 s 714 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--LEAN MANAGEMENT STRATEGIES EFFICIENCY SAVINGS

General Fund--State Appropriation (FY 2015) ~~((((\$30,000,000)))~~

(\$40,000,000)

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

(1) The legislature is committed to promoting a state government culture that makes sustained improvement a habitual behavior from front-line staff to agency leadership.

(2) The office of financial management must develop a strategic lean management action plan to drive efficiencies in state spending and to increase productivity of state employees while improving and increasing state services for taxpayers. The action plan must determine the specific agencies and programs that would benefit most from application of the action plan, and the plan must target resources accordingly.

(3) The office of financial management must integrate lean principles into all performance management efforts.

(4) The office of financial management and the office of the chief information officer must integrate lean principles into all major information technology initiatives.

(5) The office of financial management must develop and implement a lean practitioner fellowship program to train state agency staff. Agency staff participating in the fellowship will be assigned to work on statewide efforts that streamline and improve processes across agencies.

(6) Agencies must report to the office of financial management at least twice per fiscal year process improvements and efficiencies gained through tools such as the lean strategy. The office of financial management must compile and transmit these reports to the appropriate fiscal committees of the legislature at least every six months, beginning January 1, 2014.

(7) The office of financial management must report to the legislature by December 2014 on the viability of the lean/performance management program becoming a self-funding program.

(8) The office of financial management must reduce allotments for affected state agencies by ~~((((\$30,000,000)))~~ \$40,000,000 from the state general fund for fiscal year 2015 in this act to reflect fiscal year 2015 savings resulting from application of the lean management and performance management strategies required by this section.

NEW SECTION. Sec. 708. A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE COSTS

General Fund--State Appropriation (FY 2014) \$590,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute \$500,000 to Clallam county, \$72,000 to Mason county, and \$18,000 to Klickitat county for extraordinary criminal justice costs pursuant to RCW 43.330.190.

NEW SECTION. Sec. 709. A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR SUNDRY CLAIMS

The following sums, or so much thereof as may be necessary, are appropriated from the general fund for fiscal year 2014, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of the department of enterprise services, except as otherwise provided, for reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as follows:

(1) Tony M. Noble, claim number 99970075	\$5,670
(2) Patrick Earl, claim number 99970076	\$2,799
(3) Stephen J. Felice, claim number 99970076	\$17,275
(4) Michael Felice, claim number 99970076	\$93,809
(5) Noe Angel Aranda Hernandez, claim number 99970077	\$12,500
(6) Anderson Durham, claim number 99970071	\$11,000
(7) Chase Balzer, claim number 99970078	\$5,953
(8) Kent Wescott, claim number 99970079	\$13,447
(9) Tommy Villanueva, claim number 99970080	\$70,099

NEW SECTION. Sec. 710. A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--COMMON SCHOOL CONSTRUCTION ACCOUNT

General Fund--State Appropriation (FY 2015) \$444,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for expenditure into the common school construction account--state on July 1, 2015, for an interest payment pursuant to RCW 90.38.130.

NEW SECTION. Sec. 711. A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--NATURAL RESOURCES REAL PROPERTY REPLACEMENT ACCOUNT

General Fund--State Appropriation (FY 2015) \$222,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for expenditure into the natural resources real property replacement account--state on July 1, 2015, for an interest payment pursuant to RCW 90.38.130.

NEW SECTION. Sec. 712. A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--PARKLAND TRUST REVOLVING ACCOUNT

General Fund--State Appropriation (FY 2014) \$639,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for expenditure into the Parkland trust revolving account--state.

NEW SECTION. Sec. 713. 2013 INFORMATION TECHNOLOGY REDUCTION

2013 2nd sp.s. c 4 s 715 (uncodified) is repealed.

NEW SECTION. Sec. 714. 2013 HEALTH CARE REDUCTION

2013 2nd sp.s. c 4 s 720 (uncodified) is repealed.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2013 2nd sp.s. c 4 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	(\$8,248,000)	<u>\$8,591,000</u>
General Fund Appropriation for public utility district excise tax distributions	(\$50,894,000)	<u>\$53,709,000</u>
General Fund Appropriation for prosecuting attorney distributions	(\$6,068,000)	<u>\$5,985,000</u>
General Fund Appropriation for boating safety and education distributions		\$4,000,000
General Fund Appropriation for other tax distributions		\$65,000
General Fund Appropriation for habitat conservation program distributions	(\$3,000,000)	<u>\$3,154,000</u>
Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies		\$3,158,000
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution		\$146,000
Timber Tax Distribution Account Appropriation for distribution to "timber" counties	(\$72,120,000)	<u>\$76,932,000</u>
County Criminal Justice Assistance Appropriation.		
<u>When making the fiscal year 2015 distribution to Grant county, the state treasurer shall reduce the amount by \$140,000 and distribute the remainder to the county. This is the first of three reductions that will be made to reimburse the state for a nonqualifying extraordinary criminal justice act payment made to Grant county in fiscal year 2013</u>		
	(\$78,983,000)	<u>\$78,721,000</u>
Municipal Criminal Justice Assistance Appropriation	(\$30,550,000)	<u>\$30,519,000</u>
City-County Assistance Account		
Appropriation for local government financial assistance distribution	(\$17,134,000)	<u>\$19,584,000</u>
Liquor Excise Tax Account Appropriation for liquor excise tax distribution	(\$24,744,000)	<u>\$23,906,000</u>
Streamlined Sales and Use Tax Mitigation Account		
Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes	(\$50,488,000)	<u>\$49,420,000</u>
Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation	(\$7,760,000)	<u>\$7,752,000</u>
Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians	(\$5,025,000)	<u>\$5,011,000</u>
Liquor Revolving Account Appropriation for liquor profits distribution		\$98,876,000
TOTAL APPROPRIATION	(\$434,259,000)	<u>\$469,529,000</u>

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

Sec. 802. 2013 2nd sp.s. c 4 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation ~~(\$2,469,000)~~ \$2,409,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2013-2015 fiscal biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

Sec. 803. 2013 2nd sp.s. c 4 s 803 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation ~~(\$1,646,000)~~ \$1,606,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2013-2015 fiscal biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and

that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

Sec. 804. 2013 2nd sp.s. c 4 s 804 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--FEDERAL REVENUES FOR DISTRIBUTION

General Fund Appropriation for federal flood control funds distribution		\$66,000
General Fund Appropriation for federal grazing fees distribution		\$1,706,000
Forest Reserve Fund Appropriation for federal forest reserve fund distribution	((5,636,000))	<u>\$24,446,000</u>
TOTAL APPROPRIATION	((7,408,000))	<u>\$26,218,000</u>

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

Sec. 805. 2013 2nd sp.s. c 4 s 805 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

State Treasurer's Service Account:

For transfer to the state general fund, \$10,100,000 for fiscal year 2014 and \$10,100,000 for fiscal year 2015		\$20,200,000
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Drinking Water Assistance Account:

For transfer to the drinking water assistance repayment account		\$32,000,000
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General Fund:

For transfer to the streamlined sales and use tax account, ((25,284,000)) <u>\$24,436,000</u> for fiscal year 2014 and ((25,204,000)) <u>\$24,984,000</u> for fiscal year 2015	((50,488,000))	<u>\$49,420,000</u>
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Public Works Assistance Account:

For transfer to the education legacy trust account, \$138,622,000 For fiscal year 2014 and \$138,622,000 for fiscal year 2015		\$277,244,000
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Local Toxics Control Account:

For transfer to the state general fund, \$9,000,000 for fiscal year 2014 and \$9,000,000 for fiscal year 2015		\$18,000,000
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State Taxable Building Construction Account:

For transfer to the Columbia River basin taxable bond water supply development account, an amount not to exceed		\$32,000,000
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Employment Training Finance Account:

For transfer to the state general fund, \$1,000,000 for fiscal year 2014 and \$1,000,000 for fiscal year 2015		\$2,000,000
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Tuition Recovery Trust Account:

For transfer to the state general fund, \$1,250,000 for fiscal year 2014 and \$1,250,000 for fiscal year 2015		\$2,500,000
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General Fund: For transfer to the child and family reinvestment account,

((3,800,000)) <u>\$1,656,000</u> for fiscal year 2014 and ((2,691,000)) <u>\$992,000</u> for fiscal year 2015	((6,491,000))	<u>\$2,648,000</u>
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Flood Control Assistance Account:

For transfer to the state general fund, \$1,000,000 for fiscal year 2014 and \$1,000,000 for fiscal year 2015		\$2,000,000
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Tobacco Settlement Account:

For transfer to the state general fund, in an amount not to exceed the actual amount of the annual base payment to the tobacco settlement account	((157,221,000))	<u>\$170,832,000</u>
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Tobacco Settlement Account:

For transfer to the state general fund from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2014		\$17,000,000
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Tobacco Settlement Account:

For transfer to the state general fund from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2015		\$17,000,000
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Tobacco Settlement Account:

For transfer to the education legacy trust account from amounts deposited in the account that are attributed to the annual strategic contribution payment received in fiscal year 2014		<u>\$600,000</u>
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Tobacco Settlement Account:

<u>For transfer to the education legacy trust account from amounts deposited in the account that are attributed to the annual strategic contribution payment received in fiscal year 2015</u>	<u>\$9,615,000</u>
<u>It is the intent of the legislature to transfer the full amounts received as strategic contribution payments in the tobacco settlement account to the education legacy trust account in the 2015-2017 fiscal biennium.</u>	
Tobacco Settlement Account:	
For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2014	\$9,515,000
((Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2015 — \$9,515,000))	— \$9,515,000
The transfer to the life sciences discovery fund is subject to the following conditions:	
(1) The life sciences discovery fund authority board of trustees shall begin preparing to become a self-sustaining entity capable of operating without direct state subsidy by the time the tobacco strategic contribution supplemental payments end in fiscal year 2017.	
(2) \$250,000 of the appropriation in fiscal year 2014 (and \$250,000 of the appropriation in fiscal year 2015 are) is provided solely to promote the development and delivery of global health technologies and products.	
(a) The life sciences discovery fund authority must either administer a grant application, review, and reward process, or contract with a qualified nonprofit organization for these services. State moneys must be provided for grants to entities for the development, production, promotion, and delivery of global health technologies and products. Grant award criteria must include:	
(i) The quality of the proposed research or the proposed technical assistance in product development or production process design. Any grant funds awarded for research activities must be awarded for nonbasic research that will assist in the commercialization or manufacture of global health technologies;	
(ii) The potential for the grant recipient to improve global health outcomes;	
(iii) The potential for the grant to leverage additional funding for the development of global health technologies and products;	
(iv) The potential for the grant to stimulate, or promote technical skills training for, employment in the development of global health technologies in the state; and	
(v) The willingness of the grant recipient, when appropriate, to enter into royalty or licensing income agreements with the authority.	
(b) The authority, or the contractor of the authority, must report information including the types of products and research funded, the funding leveraged by the grants, and the number and types of jobs created as a result of the grants, to the economic development committees of the legislature by December 1, 2014.	
<u>Life Sciences Discovery Fund:</u>	
<u>For transfer to the education legacy trust account,</u>	
<u>\$9,800,000 for fiscal year 2015</u>	<u>\$9,800,000</u>
Aquatic Lands Enhancement Account:	
For transfer to the geoduck aquaculture research account,	
\$150,000 for fiscal year 2014 and \$150,000 for fiscal year 2015	\$300,000
Health Benefit Exchange Account:	
For transfer to the state general fund for fiscal year 2015	\$21,514,000
Criminal Justice Treatment Account:	
For transfer to the state general fund,	
\$437,000 for fiscal year 2014 and	
\$2,746,000 for fiscal year 2015	\$3,183,000
Resources Management Cost Account--Aquatics:	
For transfer to the marine resources stewardship trust account,	
\$1,850,000 for fiscal year 2014 and	
\$1,850,000 for fiscal year 2015	\$3,700,000
Legal Services Revolving Account:	
For transfer to the state general fund,	
\$976,000 for fiscal year 2014 and	
\$1,477,000 for fiscal year 2015	\$2,453,000
Personnel Service Account:	
For transfer to the state general fund,	
\$733,000 for fiscal year 2014 and	
\$733,000 for fiscal year 2015	\$1,466,000
Data Processing Revolving Account:	
For transfer to the state general fund,	
\$4,069,000 for fiscal year 2014 and	
\$4,070,000 for fiscal year 2015	\$8,139,000
Home Security Fund Account:	
For transfer to the transitional housing operating and rent account	\$7,500,000
Professional Engineers' Account:	
For transfer to the state general fund,	
\$956,000 for fiscal year 2014 and	
\$957,000 for fiscal year 2015	\$1,913,000
Electrical License Account:	
For transfer to the state general fund,	
\$1,700,000 for fiscal year 2014 and	

\$1,700,000 for fiscal year 2015		\$3,400,000
Business and Professions Account:		
For transfer to the state general fund,		
(\$1,838,000) \$2,838,000 for fiscal year 2014 and		
(\$1,800,000) \$2,800,000 for fiscal year 2015	(\$3,638,000)	\$5,638,000
Energy Freedom Account:		
For transfer to the state general fund,		
(\$1,000,000) \$1,500,000 for fiscal year 2014 and		
(\$1,000,000) \$1,500,000 for fiscal year 2015	(\$2,000,000)	\$3,000,000
Pollution Liability Insurance Program Trust Account:		
For transfer to the state general fund,		
\$2,500,000 for fiscal year 2014 and		
\$2,500,000 for fiscal year 2015		\$5,000,000
Real Estate Commission Account:		
For transfer to the state general fund,		
\$1,700,000 for fiscal year 2014 and		
\$1,700,000 for fiscal year 2015		\$3,400,000
State Lottery Account:		
For transfer to the education legacy trust account,		
(\$6,050,000) \$10,050,000 for fiscal year 2014 and		
\$6,050,000 for fiscal year 2015	(\$12,100,000)	\$16,100,000
State Toxics Control Account:		
For transfer to the radioactive mixed waste account,		
\$2,000,000 for fiscal year 2014		\$2,000,000
<u>General Fund:</u>		
For transfer to the education savings account, \$387.04 for fiscal year 2014		\$387.04

(End of part)

**PART IX
MISCELLANEOUS**

Sec. 901. 2013 2nd sp.s. c 4 s 903 (uncodified) is amended to read as follows:

STATUTORY APPROPRIATIONS

In addition to the amounts appropriated in this act for revenues for distribution, and bond retirement and interest including ongoing bond registration and transfer charges, transfers, interest on registered warrants, and certificates of indebtedness, there is also appropriated such further amounts as may be required or available for these purposes under any statutory formula or under chapters 39.94 ~~(and)~~, 39.96, and 39.98 RCW or any proper bond covenant made under law.

Sec. 902. 2013 2nd sp.s. c 4 s 932 (uncodified) is amended to read as follows:

COMPENSATION--REPRESENTED EMPLOYEES--SUPER COALITION--INSURANCE BENEFITS

No agreement was reached between the governor and the health care super coalition under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Appropriations in this act for fiscal year 2014 for state agencies, including institutions of higher education are sufficient to continue the provisions of the 2011-2013 collective bargaining agreement. An agreement was reached between the governor and the health care super coalition under the provisions of chapter 41.80 RCW for fiscal year 2015. The agreement includes employer contributions to premiums at 85 percent of the total weighted average of the projected health care premiums. Appropriations in this act for fiscal year 2015 for state agencies, including institutions of higher education are sufficient to fund the provisions of the fiscal year 2015 collective bargaining agreement. and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, wellness programs, and similar benefits or services for members of public employee benefits board health plans, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$782 per eligible employee for fiscal year 2014. For fiscal year 2015 the monthly employer funding rate shall not exceed ~~(\$763)~~ \$662 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require or make any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with the collective bargaining agreement and RCW 41.05.065. Beginning July 1, 2014, the board shall add a \$25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than \$50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) All savings resulting from reduced claim costs or other factors identified after December 31, 2013, must be reserved for funding employee health benefits in the 2015-2017 fiscal biennium.

(d) To the extent that the agreement between the governor and the super coalition contains terms that are effective after June 30, 2015, those terms exceed the fiscal biennium and are outside the bounds permitted by RCW 41.80.001. Nothing in this section obligates the legislature for funding after June 30, 2015.

(e) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. The subsidy provided for calendar years 2014 and 2015 shall be up to \$150 per month.

Sec. 903. 2013 2nd sp.s. c 4 s 933 (uncodified) is amended to read as follows:

COMPENSATION--REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION--INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for represented employees outside the super coalition for health benefits, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, wellness programs, and similar benefits or services for members of public employee benefits board health plans, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$782 per eligible employee for fiscal year 2014. For fiscal year 2015 the monthly employer funding rate shall not exceed ~~(\$763))~~ \$662 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require or make any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065. Beginning July 1, 2014, the board shall add a \$25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than \$50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) All savings resulting from reduced claim costs or other factors identified after December 31, 2013, must be reserved for funding employee health benefits in the 2015-2017 fiscal biennium.

(d) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. The subsidy provided for calendar years 2014 and 2015 shall be up to \$150 per month.

Sec. 904. 2013 2nd sp.s. c 4 s 937 (uncodified) is amended to read as follows:

COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES--SEIU LOCAL 925 CHILDCARE WORKERS

(1) An agreement has been reached between the governor and the service employees international union local 925 under the provisions of chapter 41.56 RCW for the 2013-2015 fiscal biennium. Funding is provided for increases to health care, scholarship funding and non-standard hours bonus.

(2) An agreement has been reached between the governor and the service employees international union local 925 under the provisions of chapter 41.56 RCW for fiscal year 2015. Funding is provided to increase the child care subsidy rates for licensed and exempt family child care providers by four percent on July 1, 2014, and another four percent on January 1, 2015. Two million dollars is also provided to fund an early achievers tiered reimbursement pilot project for licensed family child care providers.

Sec. 905. 2013 2nd sp.s. c 4 s 939 (uncodified) is amended to read as follows:

COMPENSATION--NONREPRESENTED EMPLOYEES--INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, wellness programs, and similar benefits or services for members of public employee benefits board health plans, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$782 per eligible employee for fiscal year 2014. For fiscal year 2015 the monthly employer funding rate shall not exceed ~~(\$763))~~ \$662 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require or make any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065. Beginning July 1, 2014, the board shall add a \$25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than \$50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) All savings resulting from reduced claim costs or other factors identified after December 31, 2013, must be reserved for funding employee health benefits in the 2015-2017 fiscal biennium.

(d) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. The subsidy provided for calendar years 2014 and 2015 shall be up to \$150 per month.

(3) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, \$64.40 per month beginning September 1, 2013, and ~~(\$70.39))~~ \$66.64 beginning September 1, 2014; and

(b) For each part-time employee, who at the time of the remittance is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, \$64.40 each month beginning September

1, 2013, and ~~((70.39))~~ \$66.64 beginning September 1, 2014, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection (3) shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

Sec. 906. 2013 2nd sp.s. c 4 s 943 (uncodified) is amended to read as follows:

ACQUISITION OF INFORMATION TECHNOLOGY PROJECTS THROUGH FINANCIAL CONTRACTS

(1) Financial contracts for the acquisition of the information technology projects authorized in this section must be approved jointly by the office of the financial management and the office of the chief information officer. Information technology projects funded under this section shall meet the following requirements:

(a) The project reduces costs and achieves economies of scale by leveraging statewide investments in systems and data and other common or enterprise-wide solutions within and across state agencies;

(b) The project begins or continues replacement of legacy information technology systems and replacing these systems with modern and more efficient information technology systems;

(c) The project improves the ability of an agency to recover from major disaster;

(d) The project provides future savings and efficiencies for an agency through reduced operating costs, improved customer service, or increased revenue collections; and

(e) Preference for project approval must be given to an agency that has prior approval from the office of the chief information officer, an approved business plan, and where the primary hurdle to project funding is the lack of funding capacity.

(2) The following state agencies may enter into financial contracts to finance expenditures for the acquisition and implementation of the following information technology projects for up to the respective amounts indicated, plus financing expenses and required reserves pursuant to chapter 39.94 RCW:

(a) Subject to subsection (4) of this section, ~~((10,000,000))~~ \$13,500,000 for the department of enterprise services time, leave, and attendance pilot project;

(b) \$3,867,000 for the Washington state patrol for continuation of the mobile office platform;

(c) ~~((8,500,000 for the department of social and health services conversion to the tenth version of the world health organization's international classification of diseases;~~

~~-----~~ ~~((5,558,000))~~ \$3,315,000 for the department of early learning system implementation of electronic benefit transfers;

~~((e))~~ (d) \$4,323,000 for the department of corrections for radio infrastructure upgrades.

(3) The office of financial management with assistance from the office of the chief information officer will report to the governor and fiscal committees of the legislature by November 1st of each year on the status of distributions and expenditures on information technology projects and improved statewide or agency performance results achieved by project funding.

(4) If the Washington state department of transportation enters into financial contracts pursuant to chapter 39.94 RCW for the acquisition and implementation of a time, leave, and labor distribution system, the authorization provided to the department of enterprise services in subsection (2)(a) of this section expires.

Sec. 907. 2013 2nd sp.s. c 35 s 39 (uncodified) is amended to read as follows:

The sum of one hundred seventy-six thousand dollars of the state general fund for the fiscal year ending June 30, 2014, and one hundred seventy-six thousand dollars of the state general fund for the fiscal year ending June 30, 2015, or as much thereof as may be necessary, are appropriated to the ~~((Washington traffic safety))~~ criminal justice training commission solely for the purposes of ~~((section 25 of this act))~~ RCW 36.28A.320.

NEW SECTION. Sec. 908. 2013 APPROPRIATION TO TRAFFIC SAFETY COMMISSION. 2013 2nd sp.s. c 35 s 40 (uncodified) is repealed.

NEW SECTION. Sec. 909. A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

The sum of one hundred seventy thousand dollars from the state general fund for the fiscal year ending June 30, 2014, and two hundred twenty-seven thousand dollars of the state general fund for the fiscal year ending June 30, 2015, or as much thereof as may be necessary, are appropriated for expenditure into the county criminal justice assistance account. The treasurer shall make quarterly distributions from the county criminal justice assistance account of the amounts provided in this section in accordance with RCW 82.14.310 for the purposes of reimbursing local jurisdictions for increased costs incurred as a result of the mandatory arrest of repeat offenders pursuant to chapter 35, Laws of 2013 2nd sp. sess. The first distribution for fiscal year 2014 shall include amounts from previous quarters for which distributions were not made. The appropriations and distributions made under this section constitute appropriate reimbursement for costs for any new programs or increased level of services for the purposes of RCW 43.135.060.

NEW SECTION. Sec. 910. A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

The sum of one hundred thousand dollars from the state general fund for the fiscal year ending June 30, 2014, and one hundred thirty-three thousand dollars from the state general fund for the fiscal year ending June 30, 2015, or as much thereof as may be necessary, are appropriated for expenditure into the municipal criminal justice assistance account. The treasurer shall make quarterly distributions from the municipal criminal justice assistance account of the amounts provided in this section in accordance with RCW 82.14.320, for the purposes of reimbursing local jurisdictions for increased costs incurred as a result of the mandatory arrest of repeat offenders pursuant to chapter 35, Laws of 2013 2nd sp. sess. The first distribution for fiscal year 2014 shall include amounts from previous quarters for which distributions were not made. The appropriations and distributions made under this section constitute appropriate reimbursement for costs for any new programs or increased level of services for the purposes of RCW 43.135.060.

NEW SECTION. Sec. 911. A new section is added to chapter 28A.710 RCW to read as follows:

CHARTER SCHOOLS OVERSIGHT ACCOUNT. The charter schools oversight account is hereby created in the state treasury. All moneys received by the commission under RCW 28A.710.110 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes of this chapter.

Sec. 912. RCW 36.28A.300 and 2013 2nd sp.s. c 35 s 23 are each amended to read as follows:

There is created a 24/7 sobriety program to be administered by the ~~((Washington traffic safety))~~ criminal justice training commission in conjunction with the Washington association of sheriffs and police chiefs. The program shall coordinate efforts among

various local government entities for the purpose of implementing alternatives to incarceration for offenders convicted under RCW 46.61.502 or 46.61.504 with one or more prior convictions under RCW 46.61.502 or 46.61.504.

Sec. 913. RCW 36.28A.320 and 2013 2nd sp.s. c 35 s 25 are each amended to read as follows:

There is hereby established in the state treasury the 24/7 sobriety account. The account shall be maintained and administered by the ~~((Washington traffic safety))~~ criminal justice training commission to reimburse the state for costs associated with establishing the program and the Washington association of sheriffs and police chiefs for ongoing program administration costs. ~~((The Washington traffic safety))~~ criminal justice training commission may accept for deposit in the account money from donations, gifts, grants, participation fees, and user fees or payments. Expenditures from the account shall be budgeted through the normal budget process.

Sec. 914. RCW 41.05.130 and 1988 c 107 s 11 are each amended to read as follows:

The state health care authority administrative account is hereby created in the state treasury. Moneys in the account, including unanticipated revenues under RCW 43.79.270, may be spent only after appropriation by statute, and may be used only for operating expenses of the authority, and during the 2013-2015 fiscal biennium, for health care related analysis provided to the legislature by the office of the state actuary.

Sec. 915. RCW 43.19.025 and 2013 c 251 s 2 are each amended to read as follows:

The enterprise services account is created in the custody of the state treasurer and shall be used for all activities conducted by the department, except information technology services. Only the director or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW. During the 2013-2015 fiscal biennium, the director of the office of financial management may authorize expenditures from the account for the provision of small agency client services.

Sec. 916. RCW 43.43.839 and 2010 1st sp.s. c 37 s 922 are each amended to read as follows:

The fingerprint identification account is created in the custody of the state treasurer. All receipts from incremental charges of fingerprint checks requested for noncriminal justice purposes and electronic background requests shall be deposited in the account. Receipts for fingerprint checks by the federal bureau of investigation may also be deposited in the account. Expenditures from the account may be used only for the cost of record checks. Only the chief of the state patrol or the chief's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW. No appropriation is required for expenditures prior to July 1, 1997. After June 30, 1997, the account shall be subject to appropriation. During the 2009-2011 fiscal biennium, the legislature may transfer from the fingerprint identification account to the state general fund such amounts as reflect the excess fund balance of the account. During the 2013-2015 fiscal biennium, funds in the account may be used for expenditures that support the criminal records management division of the state patrol.

Sec. 917. RCW 43.79.480 and 2013 2nd sp.s. c 4 s 980 are each amended to read as follows:

(1) Moneys received by the state of Washington in accordance with the settlement of the state's legal action against tobacco product manufacturers, exclusive of costs and attorneys' fees, shall be deposited in the tobacco settlement account created in this section except as these moneys are sold or assigned under chapter 43.340 RCW.

(2) The tobacco settlement account is created in the state treasury. Moneys in the tobacco settlement account may only be transferred to the state general fund, and to the tobacco prevention and control account for purposes set forth in this section. The legislature shall transfer amounts received as strategic contribution payments as defined in RCW 43.350.010 to the life sciences discovery fund created in RCW 43.350.070. During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer less than the entire strategic contribution payments, and may transfer amounts attributable to strategic contribution payments into the basic health plan stabilization account. During the 2013-2015 fiscal biennium, the legislature may transfer less than the entire strategic contribution payments, and may transfer amounts attributable to strategic contribution payments into the state general fund and the education legacy trust account.

(3) The tobacco prevention and control account is created in the state treasury. The source of revenue for this account is moneys transferred to the account from the tobacco settlement account, investment earnings, donations to the account, and other revenues as directed by law. Expenditures from the account are subject to appropriation. During the 2009-2011 fiscal biennium, the legislature may transfer from the tobacco prevention and control account to the state general fund such amounts as represent the excess fund balance of the account.

Sec. 918. RCW 43.101.220 and 2009 c 146 s 2 are each amended to read as follows:

(1) The corrections personnel of the state and all counties and municipal corporations initially employed on or after January 1, 1982, shall engage in basic corrections training which complies with standards adopted by the commission. The training shall be successfully completed during the first six months of employment of the personnel, unless otherwise extended or waived by the commission, and shall be requisite to the continuation of employment.

(2) The commission shall provide the training required in this section, together with facilities, supplies, materials, and the room and board for noncommuting attendees, except during the 2013-2015 fiscal biennium, when the employing county, municipal corporation, or state agency shall reimburse the commission for twenty-five percent of the cost of training its personnel.

(3)(a) Subsections (1) and (2) of this section do not apply to the Washington state department of corrections prisons division. The Washington state department of corrections is responsible for identifying training standards, designing curricula and programs, and providing the training for those corrections personnel employed by it. In doing so, the secretary of the department of corrections shall consult with staff development experts and correctional professionals both inside and outside of the agency, to include soliciting input from labor organizations.

(b) The commission and the department of corrections share the responsibility of developing and defining training standards and providing training for community corrections officers employed within the community corrections division of the department of corrections.

Sec. 919. RCW 43.350.070 and 2011 c 5 s 916 are each amended to read as follows:

The life sciences discovery fund is created in the custody of the state treasurer. Only the board or the board's designee may authorize expenditures from the fund. Expenditures from the fund may be made only for purposes of this chapter. Administrative expenses of the authority, including staff support, may be paid only from the fund. Revenues to the fund consist of transfers made by the legislature from strategic contribution payments deposited in the tobacco settlement account under RCW 43.79.480, moneys received pursuant to contribution agreements entered into pursuant to RCW 43.350.030, moneys received from gifts, grants, and bequests, and

interest earned on the fund. During the ~~((2009-2014))~~ 2013-2015 fiscal biennium, the legislature may transfer to other state funds or accounts such amounts as represent the excess balance of the life sciences discovery fund.

Sec. 920. RCW 50.16.010 and 2013 c 189 s 1 are each amended to read as follows:

(1) There shall be maintained as special funds, separate and apart from all public moneys or funds of this state an unemployment compensation fund and an administrative contingency fund, which shall be administered by the commissioner exclusively for the purposes of this title, and to which RCW 43.01.050 shall not be applicable.

(2)(a) The unemployment compensation fund shall consist of:

(i) All contributions collected under RCW 50.24.010 and payments in lieu of contributions collected pursuant to the provisions of this title;

(ii) Any property or securities acquired through the use of moneys belonging to the fund;

(iii) All earnings of such property or securities;

(iv) Any moneys received from the federal unemployment account in the unemployment trust fund in accordance with Title XII of the social security act, as amended;

(v) All money recovered on official bonds for losses sustained by the fund;

(vi) All money credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended;

(vii) All money received from the federal government as reimbursement pursuant to section 204 of the federal-state extended compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304);

(viii) The portion of the additional penalties as provided in RCW 50.20.070(2) that is fifteen percent of the amount of benefits overpaid or deemed overpaid; and

(ix) All moneys received for the fund from any other source.

(b) All moneys in the unemployment compensation fund shall be commingled and undivided.

(3)(a) Except as provided in (b) of this subsection, the administrative contingency fund shall consist of:

(i) All interest on delinquent contributions collected pursuant to this title;

(ii) All fines and penalties collected pursuant to the provisions of this title, except the portion of the additional penalties as provided in RCW 50.20.070(2) that is fifteen percent of the amount of benefits overpaid or deemed overpaid;

(iii) All sums recovered on official bonds for losses sustained by the fund; and

(iv) Revenue received under RCW 50.24.014.

(b) All fees, fines, forfeitures, and penalties collected or assessed by a district court because of the violation of this title or rules adopted under this title shall be remitted as provided in chapter 3.62 RCW.

(c) Except as provided in (d) of this subsection, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014, shall be expended upon the direction of the commissioner, with the approval of the governor, whenever it appears to him or her that such expenditure is necessary solely for:

(i) The proper administration of this title and that insufficient federal funds are available for the specific purpose to which such expenditure is to be made, provided, the moneys are not substituted for appropriations from federal funds which, in the absence of such moneys, would be made available.

(ii) The proper administration of this title for which purpose appropriations from federal funds have been requested but not yet received, provided, the administrative contingency fund will be reimbursed upon receipt of the requested federal appropriation.

(iii) The proper administration of this title for which compliance and audit issues have been identified that establish federal claims requiring the expenditure of state resources in resolution. Claims must be resolved in the following priority: First priority is to provide services to eligible participants within the state; second priority is to provide substitute services or program support; and last priority is the direct payment of funds to the federal government.

(d)(i) During the 2007-2009 fiscal biennium, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended as appropriated by the legislature for: (A) The cost of the job skills or worker retraining programs at the community and technical colleges and administrative costs at the state board for community and technical colleges; and (B) reemployment services such as business and project development assistance, local economic development capacity building, and local economic development financial assistance at the department of commerce. The remaining appropriation may be expended as specified in (c) of this subsection.

(ii) During the ~~((2009-2014))~~ 2013-2015 fiscal biennium, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended ~~((by))~~ as appropriated by the legislature for: (A) The department of social and health services ((as appropriated by the legislature)) for employment and training services and programs in the WorkFirst program((, and for)); (B) the administrative costs of state agencies participating in the WorkFirst program; and (C) by the commissioner for the work group on agricultural and agricultural-related issues as provided in the 2013-2015 omnibus operating appropriations act. The remaining appropriation may be expended as specified in (c) of this subsection.

(4) Money in the special account created under RCW 50.24.014(1)(a) may only be expended, after appropriation, for the purposes specified in this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014, 50.44.053, and 50.22.010.

Sec. 921. RCW 67.70.260 and 2011 1st sp.s. c 50 s 962 are each amended to read as follows:

There is hereby created the lottery administrative account in the state treasury. The account shall be managed, controlled, and maintained by the director. The legislature may appropriate from the account for the payment of costs incurred in the operation and administration of the lottery. During the 2001-2003 fiscal biennium, the legislature may transfer from the lottery administrative account to the state general fund such amounts as reflect the appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings. During the ~~((2011-2013))~~ 2013-2015 fiscal biennium, the lottery administrative account may also be used to fund an independent forecast of the lottery revenues conducted by the economic and revenue forecast council.

Sec. 922. RCW 77.36.170 and 2013 c 329 s 2 are each amended to read as follows:

(1) The department may pay no more than fifty thousand dollars per fiscal year from the state wildlife account created in RCW 77.12.170 for claims and assessment costs for injury or loss of livestock caused by wolves submitted under RCW 77.36.100.

(2) Notwithstanding other provisions of this chapter, the department may also accept and expend money from other sources to address injury or loss of livestock or other property caused by wolves consistent with the requirements on that source of funding.

(3) If any wildlife account expenditures authorized under subsections (1) and (4) of this section are unspent as of June 30th of a fiscal year, the state treasurer shall transfer the unspent amount to the wolf-livestock conflict account created in RCW 77.36.180.

(4) During the 2014 fiscal year, the department may pay no more than two hundred and fifty thousand dollars from the state wildlife account created in RCW 77.12.170 for claims and assessment costs for injury or loss of livestock caused by wolves submitted under RCW 77.36.100.

Sec. 923. RCW 82.08.160 and 2013 2nd sp.s. c 4 s 1003 are each amended to read as follows:

(1) On or before the twenty-fifth day of each month, all taxes collected under RCW 82.08.150 during the preceding month must be remitted to the state department of revenue, to be deposited with the state treasurer. Except as provided in subsections (2), (3), and (4) of this section, upon receipt of such moneys the state treasurer must credit sixty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) and one hundred percent of the sums collected and remitted under RCW 82.08.150 (3) and (4) to the state general fund and thirty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) to a fund which is hereby created to be known as the "liquor excise tax fund."

(2) During the 2012 fiscal year, 66.19 percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the state general fund and the remainder collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the liquor excise tax fund.

(3) During fiscal year 2013, all funds collected under RCW 82.08.150 (1), (2), (3), and (4) must be deposited into the state general fund.

(4) During the 2013-2015 fiscal biennium, (~~eighty-two~~) seventy-seven and one-half percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the state general fund, and the remainder collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the liquor excise tax fund. The amendments in this section are curative, clarifying, and remedial and apply retroactively to July 1, 2013.

Sec. 924. 2007 c 465 s 3 (uncodified) is amended to read as follows:

CHILD WELFARE DISPROPORTIONALITY ADVISORY COMMITTEE EXPIRATION

This act expires June 30, (~~2014~~) 2015.

Sec. 925. 2009 c 520 s 96 (uncodified) is amended to read as follows:

CHILD WELFARE DISPROPORTIONALITY ADVISORY COMMITTEE EXPIRATION

Section 63 of this act expires June 30, (~~2014~~) 2015.

NEW SECTION. **Sec. 926.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 927.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

(End of Bill)

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ESSB 6002 - CONF REPT

By Conference Committee

On page 1, line 1 of the title, after "matters;" strike the remainder of the title and insert "amending RCW 36.28A.300, 36.28A.320, 41.05.130, 43.19.025, 43.43.839, 43.79.480, 43.101.220, 43.350.070, 50.16.010, 67.70.260, 77.36.170, and 82.08.160; amending 2013 2nd sp.s. c 4 ss 101, 102, 103, 104, 105, 106, 107, 108, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 147, 148, 149, 150, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 401, 402, 501, 502, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 701, 702, 703, 704, 706, 710, 714, 801, 802, 803, 804, 805, 903, 932, 933, 937, 939, and 943 (uncodified); amending 2013 2nd sp.s. c 35 s 39 (uncodified); amending 2007 c 465 s 3 (uncodified); amending 2009 c 520 s 96 (uncodified); adding new sections to 2013 2nd sp.s. c 4 (uncodified); adding a new section to chapter 28A.710 RCW; repealing 2013 2nd sp.s. c 4 ss 715 and 720 (uncodified); repealing 2013 2nd sp.s. c 35 s 40 (uncodified); making appropriations; and declaring an emergency."

Senators Hill, Braun and Hargrove
Representatives Hunter, Sullivan and Chandler

There being no objection, the House adopted the conference committee report on ENGROSSED SUBSTITUTE SENATE BILL NO. 6002 and advanced the bill as recommended by the conference committee to final passage.

**FINAL PASSAGE OF SENATE BILL AS
RECOMMENDED BY CONFERENCE COMMITTEE**

Representatives Hunter, Chandler, Walsh, Green, Magendanz, Haler, Seaquist, Parker, Carlyle, Farrell, Muri, Habib, Ross and Sullivan spoke in favor of the passage of the bill as recommended by the conference committee.

Representatives Condotta, Manweller and Morris spoke against the passage of the bill as recommended by the conference committee.

COLLOQUY

Representative Walsh: "In section 614, Sub 1 of ESSB 6002 – The 2014 supplemental operating budget – is it the intent of the legislature that existing ECEAP funds can be considered as specifically appropriated to cover ECEAP eligibility for a child receiving child protective services or family assessment response as passed by ESHB 2519?"

Representative Hunter: "Yes. Existing ECEAP funds can be considered specifically appropriated for use in providing ECEAP to children involved in child protective services or family assessment response as passed in ESHB 2519."

The Speaker (Representative Moeller presiding) stated the question before the House to be final passage of Engrossed Substitute Senate Bill No. 6002 as recommended by the conference committee.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6002, as recommended by the conference committee, and the bill passed the House by the following votes: Yeas, 85; Nays, 13; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Bergquist, Blake, Carlyle, Chandler, Chopp, Clibborn, Cody, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Hope, Hudgins, Hunt, G., Hunt, S., Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Moeller, Morrell, Moscoso, Muri, Nealey, Ormsby, Ortiz-Self, Orwall, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, Santos, Sawyer, Schmick, Seaquist, Sells, Senn, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, and Zeiger

Voting nay: Representatives Buys, Christian, Condotta, Holy, Klippert, Manweller, Morris, Orcutt, Overstreet, Scott, Shea, Taylor, and Young

ENGROSSED SUBSTITUTE SENATE BILL NO. 6002, as recommended by the conference committee, having received the constitutional majority, was declared passed.

POINT OF PERSONAL PRIVILEGE

Representative Hunter thanked the Committee on Appropriations staff for all their hard work in the budget process.

The Speaker assumed the chair.

SIGNED BY THE SPEAKER

The Speaker signed the following bills:

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO.
2207
ENGROSSED SUBSTITUTE SENATE BILL NO. 6040
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO.
6518
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO.
6552
ENGROSSED HOUSE BILL NO. 1224
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1287
HOUSE BILL NO. 2798
ENGROSSED SUBSTITUTE SENATE BILL NO. 5045
SUBSTITUTE SENATE BILL NO. 5173
SUBSTITUTE SENATE BILL NO. 6086
SUBSTITUTE SENATE BILL NO. 6129
SENATE BILL NO. 6141
ENGROSSED SUBSTITUTE SENATE BILL NO. 6388
ENGROSSED SENATE BILL NO. 6458
ENGROSSED SUBSTITUTE SENATE BILL NO. 6570
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO.
2029
SUBSTITUTE HOUSE BILL NO. 2175
ENGROSSED SUBSTITUTE SENATE BILL NO. 5972
ENGROSSED SUBSTITUTE SENATE BILL NO. 6001
SENATE BILL NO. 6180
ENGROSSED SUBSTITUTE SENATE BILL NO. 6265
SECOND SUBSTITUTE SENATE BILL NO. 6312
ENGROSSED SUBSTITUTE SENATE BILL NO. 6440
SENATE BILL NO. 6505
SENATE BILL NO. 6573

The Speaker called upon Representative Moeller to preside.

There being no objection, the House advanced to the eighth order of business.

There being no objection, the Committee on Appropriations was relieved of SUBSTITUTE SENATE BILL NO. 5691 and the bill was placed on the second reading calendar.

There being no objection, the Committee on Rules was relieved of SENATE BILL NO. 5318 and the bill was placed on the second reading calendar.

There being no objection, the House reverted to the seventh order of business.

THIRD READING

MESSAGE FROM THE SENATE

March 13, 2014

Mr. Speaker:

The Senate has passed ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2572 with the following amendment:

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. (1) The legislature finds that the state of Washington has an opportunity to transform its health care delivery system.

(2) The state health care innovation plan establishes the following primary drivers of health transformation, each with individual key actions that are necessary to achieve the objective:

(a) Improve health overall by stressing prevention and early detection of disease and integration of behavioral health;

(b) Developing linkages between the health care delivery system and community; and

(c) Supporting regional collaboratives for communities and populations, improve health care quality, and lower costs.

NEW SECTION. Sec. 2. (1) The health care authority is responsible for coordination, implementation, and administration of interagency efforts and local collaborations of public and private organizations to implement the state health care innovation plan.

(2) Prior to the authority submitting a grant application for innovation plan funding, the authority must consult a neutral actuarial firm not currently contracted with the agency to review the estimated savings with the innovation plan prior to application submission. The plan and the actuarial information must be presented to the joint select committee on health care oversight, including the scope and details of the grant application and any request for proposal, prior to an application submission. The joint committee must review the application in a timely fashion that enables the grant application, if approved, to be submitted within the required time frame.

(3) The grant application cannot commit the state to any financial obligations beyond the actual grant award amount.

(4) All required federal reporting related to a grant award must be shared with the joint committee at the same time it is submitted to the federal government.

(5) By January 1, 2015, and January 1st of each year through January 1, 2019, the health care authority shall coordinate and submit a status report to the appropriate committees of the legislature regarding implementation of the innovation plan. The report must summarize any actions taken to implement the innovation plan, progress toward achieving the aims of the innovation plan, and anticipated future implementation efforts. In addition, the health care authority shall submit any recommendations for legislation necessary to implement the innovation plan.

NEW SECTION. Sec. 3. (1) The joint select committee on health care oversight is established in statute, continuing the committee created in Engrossed Substitute Senate Concurrent Resolution No. 8401 passed in 2013.

(2) The membership of the joint select committee on health care oversight must consist of the following: (a) The chairs of the health care committees of the senate and the house of representatives, who must serve as cochairs; (b) four additional members of the senate, two each appointed by the leadership of the two largest political parties in the senate; and (c) four additional members of the house of representatives, two each appointed by the leadership of the two largest political parties in the house of representatives. The governor must be invited to appoint, as a liaison to the joint select committee, a person who must be a nonvoting member.

(3) The joint select committee on health care oversight must provide oversight between the health care authority, health benefit exchange, the office of the insurance commissioner, the department of health, and the department of social and health services. The goal

must be to ensure that these entities are not duplicating their efforts and are working toward a goal of increased quality of services which will lead to reduced costs to the health care consumer.

(4) The joint select committee on health care oversight must, as necessary, propose legislation to the health care committees and budget recommendations to the ways and means committees of the legislature that aids in their coordination of activities and that leads to better quality and cost savings.

(5) The joint select committee on health care oversight expires on December 31, 2022.

NEW SECTION. Sec. 4. A new section is added to chapter 41.05 RCW to read as follows:

(1) The authority shall, subject to the availability of amounts appropriated or grants received for this specific purpose, award grants to support the development of two pilot projects for a community of health. A community of health is a regionally based, voluntary collaborative. The purpose of the collaborative is to align actions to achieve healthy communities and populations, improve health care quality, and lower costs. Grants may only be used for start-up costs.

(2) The authority shall develop a process for designating an entity as a community of health. An entity seeking designation is eligible if:

(a) It is a nonprofit or public-private partnership, including those led by local public health agencies;

(b) Its membership is broad and incorporates key stakeholders, such as the long-term care system, the health care delivery system, behavioral health, social supports and services, primary care and specialty providers, hospitals, consumers, small and large employers, health plans, and public health, with no single entity or organizational cohort serving in a majority capacity; and

(c) It demonstrates an ongoing capacity to:

(i) Lead health improvement activities within the region with other local systems to improve health outcomes and the overall health of the community, improve health care quality, and lower costs; and

(ii) Distribute tools and resources from the health extension program created in section 5 of this act.

(3) In awarding grants under this section, the authority shall consider the extent to which the applicant will:

(a) Base decisions on public input and an active collaboration among key community partners, which can include, but are not limited to, local governments, housing providers, school districts, early learning regional coalitions, large and small businesses, labor organizations, health and human service organizations, tribal governments, health carriers, providers, hospitals, public health agencies, and consumers;

(b) Match the grant funding with funds from other sources; and

(c) Demonstrate capability for sustainability without reliance on state general fund appropriations.

(4) The authority may prioritize applications that commit to providing at least one dollar in matching funds for each grant dollar awarded.

(5) Before grant funds are disbursed, the authority and the applicant must agree on performance requirements.

(6) The authority may adopt rules necessary to implement this section, but may not adopt rules, policies, or procedures beyond the scope of the authority granted in this section.

NEW SECTION. Sec. 5. A new section is added to chapter 43.70 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department shall establish a health extension program to provide training, tools, and technical assistance to primary care, behavioral health, and other providers. The program must emphasize high quality preventive, chronic disease, and behavioral health care that is comprehensive and evidence-based.

(2) The health extension program must coordinate dissemination of evidence-based tools and resources that promote:

(a) Integration of physical and behavioral health;

- (b) Clinical decision support to promote evidence-based care;
- (c) Reports of the Robert Bree collaborative created by RCW 70.250.050 and findings of health technology assessments under RCW 70.14.080 through 70.14.130;
- (d) Methods of formal assessment;
- (e) Support for patients managing their own conditions;
- (f) Identification and use of resources that are available in the community for patients and their families, including community health workers; and
- (g) Identification of evidence-based models to effectively treat depression and other conditions in primary care settings, such as the program advancing integrated mental health solutions, and others.

(3) The department may adopt rules necessary to implement this section, but may not adopt rules, policies, or procedures beyond the scope of authority granted in this section.

NEW SECTION. Sec. 6. A new section is added to chapter 41.05 RCW to read as follows:

(1) There is created a performance measures committee, the purpose of which is to identify and recommend standard statewide measures of health performance to inform public and private health care purchasers and to propose benchmarks to track costs and improvements in health outcomes.

(2) Members of the committee must include representation from state agencies, small and large employers, health plans, patient groups, federally recognized tribes, consumers, academic experts on health care measurement, hospitals, physicians, and other providers. The governor shall appoint the members of the committee, except that a statewide association representing hospitals may appoint a member representing hospitals, and a statewide association representing physicians may appoint a member representing physicians. The governor shall ensure that members represent diverse geographic locations and both rural and urban communities. The chief executive officer of the lead organization must also serve on the committee. The committee must be chaired by the director of the authority.

(3) The committee shall develop a transparent process for selecting performance measures, and the process must include opportunities for public comment.

(4) By January 1, 2015, the committee shall submit the performance measures to the authority. The measures must include dimensions of:

- (a) Prevention and screening;
- (b) Effective management of chronic conditions;
- (c) Key health outcomes;
- (d) Care coordination and patient safety; and
- (e) Use of the lowest cost, highest quality care for preventive care and acute and chronic conditions.

(5) The committee shall develop a measure set that:

- (a) Is of manageable size;
- (b) Is based on readily available claims and clinical data;
- (c) Gives preference to nationally reported measures and, where nationally reported measures may not be appropriate, measures used by state agencies that purchase health care or commercial health plans;
- (d) Focuses on the overall performance of the system, including outcomes and total cost;
- (e) Is aligned with the governor's performance management system measures and common measure requirements specific to medicaid delivery systems under RCW 70.320.020 and 43.20A.895;
- (f) Considers the needs of different stakeholders and the populations served; and
- (g) Is usable by multiple payers, providers, hospitals, purchasers, public health, and communities as part of health improvement, care improvement, provider payment systems, benefit design, and administrative simplification for providers and hospitals.

(6) State agencies shall use the measure set developed under this section to inform and set benchmarks for purchasing decisions.

(7) The committee shall establish a public process to periodically evaluate the measure set and make additions or changes to the measure set as needed.

NEW SECTION. Sec. 7. A new section is added to chapter 74.09 RCW to read as follows:

(1) The authority and the department may restructure medicaid procurement of health care services and agreements with managed care systems on a phased basis to better support integrated physical health, mental health, and chemical dependency treatment, consistent with assumptions in Second Substitute Senate Bill No. 6312, Laws of 2014, and recommendations provided by the behavioral health task force. The authority and the department may develop and utilize innovative mechanisms to promote and sustain integrated clinical models of physical and behavioral health care.

(2) The authority and the department may incorporate the following principles into future medicaid procurement efforts aimed at integrating the delivery of physical and behavioral health services:

(a) Medicaid purchasing must support delivery of integrated, person-centered care that addresses the spectrum of individuals' health needs in the context of the communities in which they live and with the availability of care continuity as their health needs change;

(b) Accountability for the client outcomes established in RCW 43.20A.895 and 71.36.025 and performance measures linked to those outcomes;

(c) Medicaid benefit design must recognize that adequate preventive care, crisis intervention, and support services promote a recovery-focused approach;

(d) Evidence-based care interventions and continuous quality improvement must be enforced through contract specifications and performance measures that provide meaningful integration at the patient care level with broadly distributed accountability for results;

(e) Active purchasing and oversight of medicaid managed care contracts is a state responsibility;

(f) A deliberate and flexible system change plan with identified benchmarks to promote system stability, provide continuity of treatment for patients, and protect essential existing behavioral health system infrastructure and capacity; and

(g) Community and organizational readiness are key determinants of implementation timing; a phased approach is therefore desirable.

(3) The principles identified in subsection (2) of this section are not intended to create an individual entitlement to services.

(4) The authority shall increase the use of value based contracting, alternative quality contracting, and other payment incentives that promote quality, efficiency, cost savings, and health improvement, for medicaid and public employee purchasing. The authority shall also implement additional chronic disease management techniques that reduce the subsequent need for hospitalization or readmissions. It is the intent of the legislature that the reforms the authority implements under this subsection are anticipated to reduce extraneous medical costs, across all medical programs, when fully phased in by fiscal year 2017 to generate budget savings identified in the omnibus appropriations act.

NEW SECTION. Sec. 8. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authority" means the health care authority.

(2) "Carrier" and "health carrier" have the same meaning as in RCW 48.43.005.

(3) "Claims data" means the data required by section 11 of this act to be submitted to the database, as defined by the director in rule. "Claims data" includes: (a) Claims data related to health care coverage and services funded, in whole or in part, in the omnibus appropriations act, including coverage and services funded by appropriated and nonappropriated state and federal moneys, for medicaid programs and the public employees benefits board program; and (b) claims data voluntarily provided by other data suppliers, including carriers and self-funded employers.

(4) "Database" means the statewide all-payer health care claims database established in section 10 of this act.

(5) "Director" means the director of financial management.

(6) "Lead organization" means the organization selected under section 10 of this act.

(7) "Office" means the office of financial management.

NEW SECTION. Sec. 9. The legislature finds that:

(1) The activities authorized by this chapter will require collaboration among state agencies and local governments that purchase health care, private health carriers, third-party purchasers, health care providers, and hospitals. These activities will identify strategies to increase the quality and effectiveness of health care delivered in Washington state and are therefore in the best interest of the public.

(2) The benefits of collaboration, together with active state supervision, outweigh potential adverse impacts. Therefore, the legislature intends to exempt from state antitrust laws, and provide immunity through the state action doctrine from federal antitrust laws, activities that are undertaken, reviewed, and approved by the office pursuant to this chapter that might otherwise be constrained by such laws. The legislature does not intend and does not authorize any person or entity to engage in activities not provided for by this chapter, and the legislature neither exempts nor provides immunity for such activities including, but not limited to, agreements among competing providers or carriers to set prices or specific levels of reimbursement for health care services.

NEW SECTION. Sec. 10. (1) The office shall establish a statewide all-payer health care claims database to support transparent public reporting of health care information. The database must improve transparency to: Assist patients, providers, and hospitals to make informed choices about care; enable providers, hospitals, and communities to improve by benchmarking their performance against that of others by focusing on best practices; enable purchasers to identify value, build expectations into their purchasing strategy, and reward improvements over time; and promote competition based on quality and cost.

(2) The director shall select a lead organization to coordinate and manage the database. The lead organization is responsible for internal governance, management, funding, and operations of the database. At the direction of the office, the lead organization shall:

(a) Collect claims data from data suppliers as provided in section 11 of this act;

(b) Design data collection mechanisms with consideration for the time and cost involved in collection and the benefits that measurement would achieve;

(c) Ensure protection of collected data and store and use any data with patient-specific information in a manner that protects patient privacy;

(d) Consistent with the requirements of this chapter, make information from the database available as a resource for public and private entities, including carriers, employers, providers, hospitals, and purchasers of health care;

(e) Report performance on cost and quality pursuant to section 14 of this act using, but not limited to, the performance measures developed under section 6 of this act;

(f) Develop protocols and policies to ensure the quality of data releases;

(g) Develop a plan for the financial sustainability of the database and charge fees not to exceed five thousand dollars unless otherwise negotiated for reports and data files as needed to fund the database. Any fees must be approved by the office and must be comparable across data requesters and users; and

(h) Convene advisory committees with the approval and participation of the office, including: (i) A committee on data policy development; and (ii) a committee to establish a data release process consistent with the requirements of this chapter and to provide advice

regarding formal data release requests. The advisory committees must include representation from key provider, hospital, payer, public health, health maintenance organization, purchaser, and consumer organizations.

(3) The lead organization governance structure and advisory committees must include representation of the third-party administrator of the uniform medical plan. A payer, health maintenance organization, or third-party administrator must be a data supplier to the all-payer health care claims database to be represented on the lead organization governance structure or advisory committees.

NEW SECTION. Sec. 11. (1) Data suppliers must submit claims data to the database within the time frames established by the director in rule and in accordance with procedures established by the lead organization.

(2) An entity that is not a data supplier but that chooses to participate in the database shall require any third-party administrator utilized by the entity's plan to release any claims data related to persons receiving health coverage from the plan.

(3) Each data supplier shall submit an annual status report to the office regarding its compliance with this section. The report to the legislature required by section 2 of this act must include a summary of these status reports.

NEW SECTION. Sec. 12. (1) The claims data provided to the database, the database itself, including the data compilation, and any raw data received from the database are not public records and are exempt from public disclosure under chapter 42.56 RCW.

(2) Claims data obtained in the course of activities undertaken pursuant to or supported under this chapter are not subject to subpoena or similar compulsory process in any civil or criminal, judicial, or administrative proceeding, nor may any individual or organization with lawful access to data under this chapter be compelled to testify with regard to such data, except that data pertaining to a party in litigation may be subject to subpoena or similar compulsory process in an action brought by or on behalf of such individual to enforce any liability arising under this chapter.

NEW SECTION. Sec. 13. (1) Except as otherwise required by law, claims or other data from the database shall only be available for retrieval in original or processed form to public and private requesters pursuant to this section and shall be made available within a reasonable time after the request.

(2) Except as otherwise required by law, the office shall direct the lead organization to maintain the confidentiality of claims or other data it collects for the database that include direct and indirect patient identifiers. Any agency, researcher, or other person that receives claims or other data under this section containing direct or indirect patient identifiers must also maintain confidentiality and may not release such claims or other data except as consistent with this section. The office shall oversee the lead organization's release of data as follows:

(a) Claims or other data that include direct or indirect patient identifiers, as specifically defined in rule, may be released to:

(i) Federal, state, and local government agencies upon receipt of a signed data use agreement with the office and the lead organization; and

(ii) Researchers with approval of an institutional review board upon receipt of a signed confidentiality agreement with the office and the lead organization.

(b) Claims or other data that do not contain direct patient identifiers but that may contain indirect patient identifiers may be released to agencies, researchers, and other persons upon receipt of a signed data use agreement with the lead organization.

(c) Claims or other data that do not contain direct or indirect patient identifiers may be released upon request.

(3) Recipients of claims or other data under subsection (2)(a) or (b) of this section must agree in a data use agreement or a confidentiality agreement to, at a minimum:

(a) Take steps to protect direct and indirect patient identifying information as described in the agreement; and

(b) Not redisclose the data except as authorized in the agreement consistent with the purpose of the agreement or as otherwise required by law.

(4) Recipients of the claims or other data under subsection (2)(b) of this section must not attempt to determine the identity of persons whose information is included in the data set or use the claims or other data in any manner that identifies the individuals or their families.

(5) For purposes of this section, the following definitions apply unless the context clearly requires otherwise.

(a) "Direct patient identifier" means information that identifies a patient.

(b) "Indirect patient identifier" means information that may identify a patient when combined with other information.

NEW SECTION. Sec. 14. (1) Under the supervision of the office, the lead organization shall prepare health care data reports using the database and the statewide health performance and quality measure set, including only those measures that can be completed with readily available claims data. Prior to releasing any health care data reports that use claims data, the lead organization must submit the reports to the office for review and approval.

(2)(a) Health care data reports prepared by the lead organization that use claims data must assist the legislature and the public with awareness and promotion of transparency in the health care market by reporting on:

(i) Whether providers and health systems deliver efficient, high quality care; and

(ii) Geographic and other variations in medical care and costs as demonstrated by data available to the lead organization.

(b) Measures in the health care data reports should be stratified by demography, income, language, health status, and geography when feasible with available data to identify disparities in care and successful efforts to reduce disparities.

(c) Comparisons of costs among providers and health care systems must account for differences in acuity of patients, as appropriate and feasible, and must take into consideration the cost impact of subsidization for uninsured and governmental patients, as well as teaching expenses, when feasible with available data.

(3) The lead organization may not publish any data or health care data reports that:

(a) Directly or indirectly identify patients;

(b) Disclose specific terms of contracts, discounts, or fixed reimbursement arrangements or other specific reimbursement arrangements between an individual provider and a specific payer; or

(c) Compares performance in a report generated for the general public that includes any provider in a practice with fewer than five providers.

(4) The lead organization may not release a report that compares and identifies providers, hospitals, or data suppliers unless it:

(a) Allows the data supplier, the hospital, or the provider to verify the accuracy of the information submitted to the lead organization and submit to the lead organization any corrections of errors with supporting evidence and comments within forty-five days of receipt of the report; and

(b) Corrects data found to be in error within a reasonable amount of time.

(5) The office and the lead organization may use claims data to identify and make available information on payers, providers, and facilities, but may not use claims data to recommend or incentivize direct contracting between providers and employers.

(6) The lead organization shall ensure that no individual data supplier comprises more than twenty-five percent of the claims data used in any report or other analysis generated from the database. For

purposes of this subsection, a "data supplier" means a carrier and any self-insured employer that uses the carrier's provider contracts.

NEW SECTION. Sec. 15. (1) The director shall adopt any rules necessary to implement this chapter, including:

(a) Definitions of claim and data files that data suppliers must submit to the database, including: Files for covered medical services, pharmacy claims, and dental claims; member eligibility and enrollment data; and provider data with necessary identifiers;

(b) Deadlines for submission of claim files;

(c) Penalties for failure to submit claim files as required;

(d) Procedures for ensuring that all data received from data suppliers are securely collected and stored in compliance with state and federal law; and

(e) Procedures for ensuring compliance with state and federal privacy laws.

(2) The director may not adopt rules, policies, or procedures beyond the authority granted in this chapter.

NEW SECTION. Sec. 16. A new section is added to chapter 48.02 RCW to read as follows:

(1) The commissioner may not use data acquired from the statewide all-payer health care claims database created in section 10 of this act for purposes of reviewing rates pursuant to this title.

(2) The commissioner's authority to access data from any other source for rate review pursuant to this title is not otherwise curtailed, even if that data may have been separately submitted to the statewide all-payer health care claims database.

Sec. 17. RCW 42.56.360 and 2013 c 19 s 47 are each amended to read as follows:

(1) The following health care information is exempt from disclosure under this chapter:

(a) Information obtained by the pharmacy quality assurance commission as provided in RCW 69.45.090;

(b) Information obtained by the pharmacy quality assurance commission or the department of health and its representatives as provided in RCW 69.41.044, 69.41.280, and 18.64.420;

(c) Information and documents created specifically for, and collected and maintained by a quality improvement committee under RCW 43.70.510, 70.230.080, or 70.41.200, or by a peer review committee under RCW 4.24.250, or by a quality assurance committee pursuant to RCW 74.42.640 or 18.20.390, or by a hospital, as defined in RCW 43.70.056, for reporting of health care-associated infections under RCW 43.70.056, a notification of an incident under RCW 70.56.040(5), and reports regarding adverse events under RCW 70.56.020(2)(b), regardless of which agency is in possession of the information and documents;

(d)(i) Proprietary financial and commercial information that the submitting entity, with review by the department of health, specifically identifies at the time it is submitted and that is provided to or obtained by the department of health in connection with an application for, or the supervision of, an antitrust exemption sought by the submitting entity under RCW 43.72.310;

(ii) If a request for such information is received, the submitting entity must be notified of the request. Within ten business days of receipt of the notice, the submitting entity shall provide a written statement of the continuing need for confidentiality, which shall be provided to the requester. Upon receipt of such notice, the department of health shall continue to treat information designated under this subsection (1)(d) as exempt from disclosure;

(iii) If the requester initiates an action to compel disclosure under this chapter, the submitting entity must be joined as a party to demonstrate the continuing need for confidentiality;

(e) Records of the entity obtained in an action under RCW 18.71.300 through 18.71.340;

(f) Complaints filed under chapter 18.130 RCW after July 27, 1997, to the extent provided in RCW 18.130.095(1);

(g) Information obtained by the department of health under chapter 70.225 RCW;

(h) Information collected by the department of health under chapter 70.245 RCW except as provided in RCW 70.245.150;

(i) Cardiac and stroke system performance data submitted to national, state, or local data collection systems under RCW 70.168.150(2)(b); ~~((and))~~

(j) All documents, including completed forms, received pursuant to a wellness program under RCW 41.04.362, but not statistical reports that do not identify an individual; and

(k) Data and information exempt from disclosure under section 12 of this act.

(2) Chapter 70.02 RCW applies to public inspection and copying of health care information of patients.

(3)(a) Documents related to infant mortality reviews conducted pursuant to RCW 70.05.170 are exempt from disclosure as provided for in RCW 70.05.170(3).

(b)(i) If an agency provides copies of public records to another agency that are exempt from public disclosure under this subsection (3), those records remain exempt to the same extent the records were exempt in the possession of the originating entity.

(ii) For notice purposes only, agencies providing exempt records under this subsection (3) to other agencies may mark any exempt records as "exempt" so that the receiving agency is aware of the exemption, however whether or not a record is marked exempt does not affect whether the record is actually exempt from disclosure.

Sec. 18. RCW 70.02.045 and 2000 c 5 s 2 are each amended to read as follows:

Third-party payors shall not release health care information disclosed under this chapter, except as required by chapter 43.--RCW (the new chapter created in section 22 of this act) and to the extent that health care providers are authorized to do so under RCW 70.02.050.

NEW SECTION. **Sec. 19.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 20.** Section 3 of this act constitutes a new chapter in Title 44 RCW.

NEW SECTION. **Sec. 21.** Section 4 of this act expires July 1, 2020.

NEW SECTION. **Sec. 22.** Sections 8 through 15 of this act constitute a new chapter in Title 43 RCW."

On page 1, line 5 of the title, after "supports;" strike the remainder of the title and insert "amending RCW 42.56.360 and 70.02.045; adding new sections to chapter 41.05 RCW; adding a new section to chapter 43.70 RCW; adding a new section to chapter 74.09 RCW; adding a new section to chapter 48.02 RCW; adding a new chapter to Title 44 RCW; adding a new chapter to Title 43 RCW; creating new sections; and providing an expiration date."

and the same is herewith transmitted.

Hunter Goodman, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2572 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Cody and Schmick spoke in favor of the passage of the bill.

MOTION

On motion of Representative Holy, Representative Dahlquist was excused.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Second Substitute House Bill No. 2572, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute House Bill No. 2572, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 70; Nays, 27; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Carlyle, Chandler, Clibborn, Cody, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Gregerson, Habib, Haigh, Hansen, Harris, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kristiansen, Lytton, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Ormsby, Ortiz-Self, Orwall, Pettigrew, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Seaquist, Sells, Senn, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Walkinshaw, Warnick, Wilcox, Wylie and Mr. Speaker.

Voting nay: Representatives Buys, Christian, Condotta, DeBolt, G. Hunt, Haler, Hargrove, Hawkins, Hayes, Holy, Kretz, MacEwen, Muri, Nealey, Orcutt, Overstreet, Parker, Pike, Scott, Shea, Short, Smith, Taylor, Vick, Walsh, Young and Zeiger.

Excused: Representative Dahlquist.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2572, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

SENATE BILL NO. 5981, by Senators Sheldon, Kline, Hewitt and Dammeier

Increasing the number of superior court judges in Mason county.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Haigh and MacEwen spoke in favor of the passage of the bill.

With the consent of the house, amendment (942) was withdrawn.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Senate Bill No. 5981.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5981, and the bill passed the House by the following vote: Yeas, 92; Nays, 5; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Clibborn, Cody, Condotta, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Seaquist, Sells, Senn, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Christian, Overstreet, Scott, Shea and Taylor.

Excused: Representative Dahlquist.

SENATE BILL NO. 5981, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the seventh order of business.

THIRD READING

MESSAGE FROM THE SENATE

March 13, 2014

Mr. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1260 with the following amendment:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 43.160.010 and 2012 c 225 s 2 are each amended to read as follows:

(1) The legislature finds that it is the ~~((public))~~ policy of the state of Washington to ~~((direct financial resources toward the fostering of economic development through the stimulation of investment and job opportunities and the retention of sustainable existing employment))~~ employ state and federal resources to foster economic development to promote private investment and to create or retain job opportunities for the general welfare of the inhabitants of the state. Reducing unemployment and reducing the time citizens remain jobless ((is)) are important for the economic welfare of the state.

(2) The legislature finds that a valuable means of fostering economic development is the construction of public facilities which contribute to the stability and growth of the state's economic base. Expenditures made for these purposes as authorized in this chapter are declared to be in the public interest, and constitute a proper use of public funds. ((A community economic revitalization board is needed which shall aid the development of economic opportunities. The general objectives of the board should include:

~~(a) Strengthening the economies of areas of the state which have experienced or are expected to experience chronically high unemployment rates or below average growth in their economies;~~
~~(b) Encouraging the diversification of the economies of the state~~

~~and regions within the state in order to provide greater seasonal and cyclical stability of income and employment;~~

~~(c) Encouraging wider access to financial resources for both large and small industrial development projects;~~

~~(d) Encouraging new economic development or expansions to maximize employment;~~

~~(e) Encouraging the retention of viable existing firms and employment;~~

~~(f) Providing incentives for expansion of employment opportunities for groups of state residents that have been less successful relative to other groups in efforts to gain permanent employment;~~

~~(g) Enhancing job and business growth through facility development and other improvements in innovation partnership zones designated under RCW 43.330.270.~~

~~(2)) (3) The legislature also finds that the state's economic development efforts can be enhanced by, in certain instances, providing funds to improve state highways, county roads, or city streets for industries considering locating or expanding in this state.~~

~~((3)) (4) The legislature finds it desirable to provide a process whereby the need for diverse public works improvements necessitated by planned economic development can be addressed in a timely fashion and with coordination among all responsible governmental entities.~~

~~((4)) (5) The legislature also finds that the state's economic development efforts can be enhanced by, in certain instances, providing funds to assist development of telecommunications infrastructure that supports business development, retention, and expansion in the state.~~

~~((5)) (6) The legislature also finds that the state's economic development efforts can be enhanced by providing funds to improve markets for those recyclable materials representing a large fraction of the waste stream. The legislature finds that the construction or rehabilitation of public facilities ((which)) that result in private construction of processing or remanufacturing facilities for recyclable materials ((are)) is eligible for consideration from the board.~~

~~((6)) (7) The legislature finds that sharing economic growth statewide is important to the welfare of the state. The ability of communities to pursue business and job retention, expansion, and development opportunities depends on their capacity to ready necessary economic development project plans, sites, permits, and infrastructure for private investments. Project-specific planning, predevelopment, and infrastructure are critical ingredients for economic development. ((It is, therefore, the intent of the legislature to increase the amount of funding available through the community economic revitalization board and to authorize flexibility for available resources in these areas to help fund planning, predevelopment, and construction costs of infrastructure and facilities and sites that foster economic vitality and diversification.))~~

~~(8) It is, therefore, the intent of the legislature to create a community economic revitalization board to aid the development of economic opportunities. The general objectives of the board should include:~~

~~(a) Strengthening the economies of areas of the state which have experienced or are expected to experience chronically high unemployment rates or below average growth in their economies;~~

~~(b) Encouraging the diversification of the economies of the state and regions within the state in order to provide greater stability of income and employment;~~

~~(c) Encouraging greater access to financial resources for both large and small industrial development projects;~~

~~(d) Encouraging new economic development or expansions to maximize employment;~~

~~(e) Encouraging the retention of viable existing firms and promoting employment within these firms;~~

~~(f) Providing incentives for expansion of employment opportunities for groups of state residents that have been less~~

successful relative to other groups in efforts to gain permanent employment; and

(g) Enhancing job and business growth through facility development and other improvements in innovation partnership zones designated under RCW 43.330.270.

NEW SECTION. Sec. 2. A new section is added to chapter 43.160 RCW to read as follows:

The legislature finds that the community economic revitalization board has successfully acted as an economic development infrastructure financier for local governments. It is, therefore, the intent of the legislature to authorize flexibility for the community economic revitalization board to help fund planning, predevelopment, and construction costs of infrastructure and facilities and sites that foster economic vitality and diversification.

Sec. 3. RCW 43.160.020 and 2012 c 225 s 3 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Board" means the community economic revitalization board.

(2) "Department" means the department of commerce.

(3) "Director" means the director of the department.

(4) "Local government" or "political subdivision" means any port district, county, city, town, special purpose district, and any other municipal corporations or quasi-municipal corporations in the state providing for public facilities under this chapter.

((4)) (5) "Planning project" means project-specific environmental, capital facilities, land use, permitting, feasibility, and marketing studies and plans; project design, site planning, and analysis; project debt and revenue impact analysis; and economic development industry cluster analysis.

(6) "Project" means a project of a local government or a federally recognized Indian tribe for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of a public facility.

(7) "Public facilities" means ((a project of a local government or a federally recognized Indian tribe for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of:)) bridges; roads; research, testing, training, and incubation facilities in areas designated as innovation partnership zones under RCW 43.330.270; buildings or structures; domestic and industrial water, earth stabilization, sanitary sewer, storm ((sewer) water, railroad, electricity, broadband, telecommunications, transportation, natural gas, and port facilities((; all for the purpose of job creation, job retention, or job expansion)).

((5)) (8) "Rural county" means a county with a population density of fewer than one hundred persons per square mile or a county smaller than two hundred twenty-five square miles, as determined by the office of financial management and published each year by the department for the period July 1st to June 30th.

Sec. 4. RCW 43.160.030 and 2011 1st sp.s. c 21 s 25 are each amended to read as follows:

(1) The community economic revitalization board is hereby created to exercise the powers granted under this chapter.

(2) The board ~~((shall))~~ **must** consist of one member from each of the two major caucuses of the house of representatives to be appointed by the speaker of the house and one member from each of the two major caucuses of the senate to be appointed by the president of the senate. The board ~~((shall))~~ **must** also consist of the following members appointed by the director of commerce: A recognized private or public sector economist; one port district official; one county official; one city official; one representative of a federally recognized Indian tribe; one representative of the public; ~~((one))~~ **four** representatives of small businesses ~~((each from: (a) The area west of Puget Sound, (b) the area east of Puget Sound and west of the Cascade range, (c) the area east of the Cascade range and west of the Columbia river, and (d) the area east of the Columbia river; one~~

~~executive from large businesses each from the area west of the Cascades and the area east of the Cascades)); and two executives from large businesses. The appointive members ((shall)) **must** initially be appointed to terms as follows: Three members for one-year terms, three members for two-year terms, and three members for three-year terms ((which shall)) **that must** include the chair. Thereafter each succeeding term ((shall)) **must** be for three years. The chair of the board ((shall)) **must** be selected by the director of commerce. When appointing members, the director must endeavor to ensure equitable geographic representation. The members of the board ((shall)) **must** elect one of their members to serve as ~~((vice chair))~~ **vice chair**. The director of commerce, the director of revenue, the commissioner of employment security, and the secretary of transportation ((shall)) **must** serve as nonvoting advisory members of the board.~~

~~(3) ((Management services, including fiscal and contract services, shall be provided by the department to assist the board in implementing this chapter.~~

~~—(4))~~ Members of the board ((shall)) **must** be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

~~((5))~~ (4) If a vacancy occurs by death, resignation, or otherwise of appointive members of the board, the director of commerce ~~((shall))~~ **must** fill the same for the unexpired term. Members of the board may be removed for malfeasance or misfeasance in office, upon specific written charges by the director of commerce, under chapter 34.05 RCW.

~~((6))~~ (5) A member appointed by the director of commerce may not be absent from more than fifty percent of the regularly scheduled meetings in any one calendar year. Any member who exceeds this absence limitation is deemed to have withdrawn from the office and may be replaced by the director of commerce.

~~((7))~~ (6) A majority of members currently appointed constitutes a quorum.

Sec. 5. RCW 43.160.050 and 2008 c 327 s 4 are each amended to read as follows:

The board may:

(1) Adopt bylaws for the regulation of its affairs and the conduct of its business.

(2) Adopt an official seal and alter the seal at its pleasure.

(3) Utilize the services of other governmental agencies.

(4) Accept from any federal agency loans or grants for the planning or financing of any project and enter into an agreement with the agency respecting the loans or grants.

(5) Conduct examinations and investigations and take testimony at public hearings of any matter material for its information that will assist in determinations related to the exercise of the board's lawful powers.

(6) Accept any gifts, grants, or loans of funds, property, or financial or other aid in any form from any other source on any terms and conditions which are not in conflict with this chapter.

(7) Enter into agreements or other transactions with and accept grants and the cooperation of any governmental agency in furtherance of this chapter.

(8) Consistent with the guidelines issued by the office of financial management and in consultation with the department, prepare biennial operating and capital budgets and, as needed, update these budgets during the biennium.

(9) Adopt rules under chapter 34.05 RCW as necessary to carry out the purposes of this chapter.

~~((9))~~ (10) Do all acts and things necessary or convenient to carry out the powers expressly granted or implied under this chapter.

NEW SECTION. Sec. 6. A new section is added to chapter 43.160 RCW to read as follows:

Management services, including fiscal and contract services, must be provided by the department to assist the board in implementing this chapter.

NEW SECTION. Sec. 7. A new section is added to chapter 43.160 RCW to read as follows:

(1) In order to assist political subdivisions of the state and federally recognized Indian tribes in financing the cost of public facilities, the board:

(a) Must manage the public facilities construction loan revolving account in such a way as to ensure its sustainability.

(b) Must execute contracts or otherwise financially obligate funds from the public facilities construction loan revolving account for projects approved for funding by the board under the following programs:

- (i) Committed private sector partner construction;
- (ii) Prospective development construction;
- (iii) Planning; and
- (iv) Any other program authorized by the legislature.

(c) Must provide loans to political subdivisions and federally recognized Indian tribes for the purposes of financing the cost of public facilities.

(i) The board must determine the interest rate that loans bear. The interest rate may not exceed ten percent per annum.

(ii) The board may provide reasonable terms and conditions for repayment for loans, including partial forgiveness of loan principal and interest payments on projects located in rural communities as defined by the board, or rural counties. The loans may not exceed twenty years in duration.

(iii) In general, the board must require borrowers to begin repaying loans within one year of final contract execution. The board may authorize borrowers to defer initiating loan repayments for up to five years. A borrower must submit a deferral request to the board in writing and must include justification as to the need.

(d) May provide grants for purposes designated in this chapter, but only when, and to the extent that, a loan is not reasonably possible, given the limited resources of the political subdivision or the federally recognized Indian tribe and the finding by the board that financial circumstances require grant assistance to enable the project to move forward.

(2) No more than twenty-five percent of all financial assistance approved by the board in any biennium may consist of grants to political subdivisions and federally recognized Indian tribes.

(3) Except as authorized to the contrary under subsection (4) of this section, from all funds available to the board for financial assistance in a biennium under this chapter, the board must approve at least seventy-five percent of the first twenty million dollars of funds available and at least fifty percent of any additional funds for financial assistance for projects in rural counties or board defined rural communities.

(4) If at any time during the last six months of a biennium the board finds that the actual and anticipated applications for qualified projects in rural counties or board defined rural communities are clearly insufficient to use up the allocations under subsection (3) of this section, the board must estimate the amount of the insufficiency and during the remainder of the biennium may use that amount of the allocation for financial assistance to projects not located in rural counties or board defined rural communities.

(5) The board may elect to reserve up to one million dollars of its biennial appropriation to use as state match for federal grant awards. The purpose and use of the federal funds must be consistent with the board's purpose of financing economic development infrastructure. Reserved board funds must be matched, at a minimum, dollar for dollar by federal funds. If the set aside funds are not fully utilized for federal grant match by the 18th month of the biennium, the board may use those funds for other eligible projects as stated in this chapter.

NEW SECTION. Sec. 8. A new section is added to chapter 43.160 RCW to read as follows:

The board must:

(1) Establish and maintain collaborative relations with governmental, private, and other financing organizations, advocate groups, and other stakeholders associated with state economic development activities and policies;

(2) Provide information and advice to the governor and legislature on matters related to economic development; and

(3) At the direction of the governor, provide information and advocacy at the national level on matters related to economic development financing.

NEW SECTION. Sec. 9. A new section is added to chapter 43.160 RCW to read as follows:

(1) Under the committed private sector partner construction program, the board may only provide financial assistance to a project that demonstrates convincing evidence that a specific private sector development or expansion is ready to occur or will occur only if the public facility improvement is made.

(2) Under the prospective development construction program, the board may only provide financial assistance to a project that can demonstrate project feasibility using standard economic principles.

(3)(a) Projects applying under either the committed private sector partner construction program or the prospective development construction program must submit evidence comparing the median hourly wage of the private sector jobs to be created after the project is completed with the countywide median hourly wage for private sector jobs.

(b) The board must award a minimum of fifty percent of the moneys appropriated to it in the omnibus capital appropriations act to projects that are able to demonstrate convincing evidence that the median hourly wage of the private sector jobs created after the project is completed will exceed the countywide median hourly wage for private sector jobs.

(4) The board must give funding priority to eligible projects applying under the committed private sector partner construction program.

NEW SECTION. Sec. 10. A new section is added to chapter 43.160 RCW to read as follows:

(1) The board must prioritize awards for committed private sector partner construction and prospective development construction projects by considering at a minimum the following criteria:

(a) The number of jobs created by the expected business creation or expansion and the average wage of those expected jobs. In evaluating proposals for their job creation potential, the board may adjust the job estimates in applications based on the board's judgment of the credibility of the job estimates;

(b) The need for job creation based on the unemployment rate of the county or counties in which the project is located. When evaluating the jobs created by the project, the board may consider the area labor supply and readily available skill sets of the labor pool in the county or counties surrounding the project location;

(c) How the expected business creation or expansion fits within the region's preferred economic growth strategy as indicated by the efforts of nearby innovation partnership zones, industry clusters, future export prospects, or local government equivalent if available;

(d) The speed with which the project can begin construction;

(e) Whether the proposed project offers a health insurance plan for employees that includes an option for dependents of employees;

(f) Whether the public facility investment will increase existing capacity necessary to accommodate projected population and employment growth in a manner that supports infill and redevelopment of existing urban or industrial areas served by adequate public facilities; and

(g) The extent that the project leverages nonstate funds, and achieves overall the greatest benefit in job creation at good wages for the amount of money provided.

(2) The board may not provide financial assistance:

(a) For a project the primary purpose of which is to facilitate or promote a retail shopping development or expansion;

(b) For any project for which evidence exists that would result in a development or expansion that would displace jobs in any other community in the state;

(c) For a project the primary purpose of which is to facilitate or promote gambling; or

(d) For a project located outside the jurisdiction of the applicant political subdivision or federally recognized Indian tribe.

Sec. 11. RCW 43.160.076 and 2011 c 180 s 301 are each amended to read as follows:

~~((1) Except as authorized to the contrary under subsection (2) of this section, from all funds available to the board for financial assistance in a biennium under this chapter, the board shall approve at least seventy five percent of the first twenty million dollars of funds available and at least fifty percent of any additional funds for financial assistance for projects in rural counties.~~

~~(2) If at any time during the last six months of a biennium the board finds that the actual and anticipated applications for qualified projects in rural counties are clearly insufficient to use up the allocations under subsection (1) of this section, then the board shall estimate the amount of the insufficiency and during the remainder of the biennium may use that amount of the allocation for financial assistance to projects not located in rural counties.~~

~~(3)) The board ((shall)) must solicit qualifying projects to plan, design, and construct public facilities needed to attract new industrial and commercial activities in areas impacted by the closure or potential closure of large coal-fired electric generation facilities, which for the purposes of this section means a facility that emitted more than one million tons of greenhouse gases in any calendar year prior to 2008. The projects should be consistent with any applicable plans for major industrial activity on lands formerly used or designated for surface coal mining and supporting uses under RCW 36.70A.368. When the board receives timely and eligible project applications from a political subdivision of the state for financial assistance for such projects, the board from available funds ((shall)) must give priority consideration to such projects.~~

Sec. 12. RCW 43.160.080 and 2010 1st sp.s. c 36 s each amended to read as follows:

~~(1) There ((shall)) must be a fund in the state treasury known as the public facilities construction loan revolving account, which ((shall)) consists of all moneys collected under this chapter and any moneys appropriated to it by law. Disbursements from the revolving account ((shall)) must be on authorization of the board. In order to maintain an effective expenditure and revenue control, the public facilities construction loan revolving account ((shall be)) is subject in all respects to chapter 43.88 RCW. During the 2009-2011 biennium, sums in the public facilities construction loan revolving account may be used for community economic revitalization board export assistance grants and loans in section 1018, chapter 36, Laws of 2010 1st sp. sess. and for matching funds for the federal energy regional innovation cluster in section 1017, chapter 36, Laws of 2010 1st sp. sess.~~

~~(2) The moneys in the public facilities construction loan revolving account must be used solely to fulfill commitments arising from financial assistance authorized in this chapter. The total outstanding amount, which the board must dispense at any time pursuant to this section, may not exceed the moneys available from the account.~~

~~(3) Repayments of loans made from the public facilities construction loan revolving account under the contracts for public facilities construction loans must be paid into the public facilities construction loan revolving account.~~

Sec. 13. RCW 43.160.900 and 2008 c 327 s 9 are each amended to read as follows:

(1) The community economic revitalization board ((shall)) must conduct biennial outcome-based evaluations of the financial

assistance provided under this chapter. The evaluations ((shall)) must include information on the number of applications for community economic revitalization board assistance; the number and types of projects approved; the grant or loan amount awarded each project; the projected number of jobs created or retained by each project; the actual number and cost of jobs created or retained by each project; the wages and health benefits associated with the jobs; the amount of state funds and total capital invested in projects; the number and types of businesses assisted by funded projects; the location of funded projects; the transportation infrastructure available for completed projects; the local match and local participation obtained; the number of delinquent loans; and the number of project terminations. The evaluations may also include additional performance measures and recommendations for programmatic changes.

(2)(a) By September 1st of each even-numbered year, the board ((shall)) must forward its draft evaluation to the Washington state economic development commission for review and comment((, as required in section 10 of this act)). The board ((shall)) must provide any additional information as may be requested by the commission for the purpose of its review.

(b) Any written comments or recommendations provided by the commission as a result of its review ((shall)) must be included in the board's completed evaluation. The evaluation must be presented to the governor and appropriate committees of the legislature by December 31st of each even-numbered year. ((The initial evaluation must be submitted by December 31, 2010.))

NEW SECTION. Sec. 14. The following acts or parts of acts are each repealed:

(1) RCW 43.160.060 (Loans and grants to political subdivisions and federally recognized Indian tribes for public facilities authorized--Application--Requirements for financial assistance) and 2012 c 196 s 10, 2008 c 327 s 5, 2007 c 231 s 3, & 2004 c 252 s 3;

(2) RCW 43.160.070 (Conditions) and 2008 c 327 s 6, 1999 c 164 s 104, 1998 c 321 s 27, 1997 c 235 s 721, 1996 c 51 s 6, 1990 1st ex.s. c 16 s 802, 1983 1st ex.s. c 60 s 4, & 1982 1st ex.s. c 40 s 7; and

(3) RCW 43.160.078 (Board to familiarize government officials and public with chapter provisions) and 1985 c 446 s 5."

On page 1, line 1 of the title, after "loans;" strike the remainder of the title and insert "amending RCW 43.160.010, 43.160.020, 43.160.030, 43.160.050, 43.160.076, 43.160.080, and 43.160.900; adding new sections to chapter 43.160 RCW; and repealing RCW 43.160.060, 43.160.070, and 43.160.078."

and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1260 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Warnick, Stanford and Hansen spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1260, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1260, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 53; Nays, 44; Absent, 0; Excused, 1.

Voting yea: Representatives Blake, Buys, Carlyle, Chandler, Christian, Clibborn, DeBolt, Fagan, Gregerson, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hunter, Hurst, Johnson, Klippert, Kochmar, Kretz, Kristiansen, MacEwen, Magendanz, Manweller, Morris, Muri, Nealey, Orcutt, Pettigrew, Pike, Riccelli, Rodne, Ross, Santos, Schmick, Short, Smith, Springer, Stonier, Sullivan, Takko, Tharinger, Van De Wege, Vick, Walsh, Warnick, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Appleton, Bergquist, Cody, Condotta, Dunshee, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Habib, Hope, Hudgins, Jinkins, Kagi, Kirby, Lytton, Moeller, Morrell, Moscoso, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pollet, Reykdal, Roberts, Robinson, Ryu, S. Hunt, Sawyer, Scott, Seaquist, Sells, Senn, Shea, Stanford, Tarleton, Taylor, Walkinshaw and Young.

Excused: Representative Dahlquist.

SUBSTITUTE HOUSE BILL NO. 1260, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

STATEMENT FOR THE JOURNAL

I intended to vote NAY on Substitute House Bill No. 1260.
Representative Gregerson, 33 District

STATEMENT FOR THE JOURNAL

I intended to vote NAY on Substitute House Bill No. 1260.
Representative Morris, 40 District

STATEMENT FOR THE JOURNAL

I intended to vote NAY on Substitute House Bill No. 1260.
Representative Santos, 37 District

There being no objection, the House reverted to the sixth order of business.

SECOND READING

SUBSTITUTE SENATE BILL NO. 6387, by Senate Committee on Ways & Means (originally sponsored by Senators Hill, Hargrove, Ranker, Fain, Braun, Tom, Dammeier, Parlette, Becker, Schoesler, Hewitt, Bailey, King, Angel, Roach, Keiser, Litzow, Kohl-Welles, O'Ban, Conway and Benton)

Concerning individuals with developmental disabilities who have requested a service from a program that is already at capacity.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Early Learning & Human Services was not adopted. (For Committee amendment, see Journal, Day 45, February 26, 2014).

There being no objection, the committee amendment by the Committee on Appropriations was not adopted. (For Committee amendment, see Journal, Day 50, March 3, 2014).

Representative Kagi moved the adoption of amendment (972):

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. In conjunction with recent findings from the Washington state auditor's office, the legislature finds that there are thousands of state citizens who have been determined eligible for services through the department of social and health services' developmental disability administration. For those who have asked for help but are waiting for services, families may experience financial or emotional hardships. The legislature intends to clarify and make transparent the process for accessing publicly funded services for individuals with developmental disabilities and their families. The legislature intends to significantly reduce the number of eligible individuals who are waiting for services by funding additional slots and by implementing new programs that better utilize federal funding partnerships.

Sec. 2. RCW 71A.10.020 and 2011 1st sp.s. c 30 s 3 are each amended to read as follows:

As used in this title, the following terms have the meanings indicated unless the context clearly requires otherwise.

(1) "Assessment" means an evaluation is provided by the department to determine:

(a) If the individual meets functional and financial criteria for medicaid services; and

(b) The individual's support needs for service determination.

(2) "Community residential support services," or "community support services," and "in-home services" means one or more of the services listed in RCW 71A.12.040.

~~((2))~~ (3) "Crisis stabilization services" means services provided to persons with developmental disabilities who are experiencing behaviors that jeopardize the safety and stability of their current living situation. Crisis stabilization services include:

(a) Temporary intensive services and supports, typically not to exceed sixty days, to prevent psychiatric hospitalization, institutional placement, or other out-of-home placement; and

(b) Services designed to stabilize the person and strengthen their current living situation so the person may continue to safely reside in the community during and beyond the crisis period.

~~((3))~~ (4) "Department" means the department of social and health services.

~~((4))~~ (5) "Developmental disability" means a disability attributable to intellectual disability, cerebral palsy, epilepsy, autism, or another neurological or other condition of an individual found by the secretary to be closely related to an intellectual disability or to require treatment similar to that required for individuals with intellectual disabilities, which disability originates before the individual attains age eighteen, which has continued or can be expected to continue indefinitely, and which constitutes a substantial limitation to the individual. By January 1, 1989, the department shall promulgate rules which define neurological or other conditions in a way that is not limited to intelligence quotient scores as the sole determinant of these conditions, and notify the legislature of this action.

~~((5))~~ (6) "Eligible person" means a person who has been found by the secretary under RCW 71A.16.040 to be eligible for services.

~~((6))~~ (7) "Habilitative services" means those services provided by program personnel to assist persons in acquiring and maintaining life skills and to raise their levels of physical, mental, social, and vocational functioning. Habilitative services include education, training for employment, and therapy.

~~((7))~~ (8) "Legal representative" means a parent of a person who is under eighteen years of age, a person's legal guardian, a person's limited guardian when the subject matter is within the scope of the limited guardianship, a person's attorney-at-law, a person's

attorney-in-fact, or any other person who is authorized by law to act for another person.

~~((8))~~ (9) "Notice" or "notification" of an action of the secretary means notice in compliance with RCW 71A.10.060.

~~((9))~~ (10) "Residential habilitation center" means a state-operated facility for persons with developmental disabilities governed by chapter 71A.20 RCW.

~~((10))~~ (11) "Respite services" means relief for families and other caregivers of people with disabilities, typically not to exceed ninety days, to include both in-home and out-of-home respite care on an hourly and daily basis, including twenty-four hour care for several consecutive days. Respite care workers provide supervision, companionship, and personal care services temporarily replacing those provided by the primary caregiver of the person with disabilities. Respite care may include other services needed by the client, including medical care which must be provided by a licensed health care practitioner.

~~((11))~~ (12) "Secretary" means the secretary of social and health services or the secretary's designee.

~~((12))~~ (13) "Service" or "services" means services provided by state or local government to carry out this title.

~~((13))~~ (14) "State-operated living alternative" means programs for community residential services which may include assistance with activities of daily living, behavioral, habilitative, interpersonal, protective, medical, nursing, and mobility supports to individuals who have been assessed by the department as meeting state and federal requirements for eligibility in home and community-based waiver programs for individuals with developmental disabilities. State-operated living alternatives are operated and staffed with state employees.

~~((14))~~ (15) "Supported living" means community residential services and housing which may include assistance with activities of daily living, behavioral, habilitative, interpersonal, protective, medical, nursing, and mobility supports provided to individuals with disabilities who have been assessed by the department as meeting state and federal requirements for eligibility in home and community-based waiver programs for individuals with developmental disabilities. Supported living services are provided under contracts with private agencies or with individuals who are not state employees.

~~((15))~~ (16) "Vacancy" means an opening at a residential habilitation center, which when filled, would not require the center to exceed its biennially budgeted capacity.

(17) "Service request list" means a list of eligible persons who have received an assessment for service determination and their assessment shows that they meet the eligibility requirements for the requested service but were denied access due to funding limits.

Sec. 3. RCW 71A.16.050 and 1988 c 176 s 405 are each amended to read as follows:

The determination made under this chapter is only as to whether a person is eligible for services. After the secretary has determined under this chapter that a person is eligible for services, the individual may request an assessment for eligibility for medicaid programs and specific services administered by the developmental disabilities administration. The secretary shall make a determination as to what services are appropriate for the person. The secretary shall prioritize services to medicaid eligible clients. Services may be made available to nonmedicaid eligible clients based on available funding. Services available through the state medicaid plan must be provided to those individuals who meet the eligibility criteria. The department shall establish and maintain a service request list database for individuals who are found to be eligible and have an assessed and unmet need for programs and services offered under a home and community-based services waiver, but the provision of a specific service would exceed the biennially budgeted capacity.

NEW SECTION. Sec. 4. The department of social and health services shall develop and implement a medicaid program to replace

the individual and family services program for medicaid-eligible clients no later than May 1, 2015. The new medicaid program must offer services that closely resemble the services offered in fiscal year 2014 through the individual and family services program. To the extent possible, the department shall expand the client caseload on the medicaid program replacing the individual and family services program. The department is authorized in fiscal year 2015 to use general fund--state dollars previously provided for the individual and family services program to cover the cost of increasing the number of clients served in the new medicaid program.

NEW SECTION. Sec. 5. By June 30, 2017, if additional federal funds through the community first choice option are attained, then the department of social and health services shall increase the number served on the medicaid program replacing the individual and family services program by at least four thousand, and increase by at least one thousand clients receiving services on the home and community-based services basic plus waiver. For both of these programs, the department of social and health services shall expend the client caseload beginning June 30, 2015.

Sec. 6. RCW 18.88B.041 and 2012 c 164 s 302 are each amended to read as follows:

(1) The following long-term care workers are not required to become a certified home care aide pursuant to this chapter:

(a)(i)(A) Registered nurses, licensed practical nurses, certified nursing assistants or persons who are in an approved training program for certified nursing assistants under chapter 18.88A RCW, medicare-certified home health aides, or other persons who hold a similar health credential, as determined by the secretary, or persons with special education training and an endorsement granted by the superintendent of public instruction, as described in RCW 28A.300.010, if the secretary determines that the circumstances do not require certification.

(B) A person who was initially hired as a long-term care worker prior to January 7, 2012, and who completes all of his or her training requirements in effect as of the date he or she was hired.

(ii) Individuals exempted by (a)(i) of this subsection may obtain certification as a home care aide without fulfilling the training requirements in RCW 74.39A.074(1)(d)(ii) but must successfully complete a certification examination pursuant to RCW 18.88B.031.

(b) All long-term care workers employed by community residential service businesses.

(c) An individual provider caring only for his or her biological, step, or adoptive child or parent.

(d) ~~((Prior to))~~ Until July 1, ((2014)) 2016, a person ((hired)) working as an individual provider who provides twenty hours or less of care for one person in any calendar month.

(e) Until July 1, 2016, a person working as an individual provider who only provides respite services and works less than three hundred hours in any calendar year.

(2) A long-term care worker exempted by this section from the training requirements contained in RCW 74.39A.074 may not be prohibited from enrolling in training pursuant to that section.

(3) The department shall adopt rules to implement this section.

Sec. 7. RCW 74.39A.076 and 2012 c 164 s 402 are each amended to read as follows:

(1) Beginning January 7, 2012, except for long-term care workers exempt from certification under RCW 18.88B.041(1)(a):

(a) A biological, step, or adoptive parent who is the individual provider only for his or her developmentally disabled son or daughter must receive twelve hours of training relevant to the needs of adults with developmental disabilities within the first one hundred twenty days after becoming an individual provider or within one hundred twenty calendar days after March 29, 2012, whichever is later.

(b) Individual providers identified in (b)(i) ~~((and))~~, (ii), and (iii) of this subsection must complete thirty-five hours of training within the first one hundred twenty days after becoming an individual provider

or within one hundred twenty calendar days after March 29, 2012, whichever is later. Five of the thirty-five hours must be completed before becoming eligible to provide care. Two of these five hours shall be devoted to an orientation training regarding an individual provider's role as caregiver and the applicable terms of employment, and three hours shall be devoted to safety training, including basic safety precautions, emergency procedures, and infection control. Individual providers subject to this requirement include:

(i) An individual provider caring only for his or her biological, step, or adoptive child or parent unless covered by (a) of this subsection; ~~(and)~~

(ii) ~~Until (January 1, 2014))~~ July 1, 2016, a person ~~(hired)~~ working as an individual provider who provides twenty hours or less of care for one person in any calendar month; and

(iii) Until July 1, 2016, a person working as an individual provider who only provides respite services and works less than three hundred hours in any calendar year.

(2) In computing the time periods in this section, the first day is the date of hire or March 29, 2012, whichever is applicable.

(3) Only training curriculum approved by the department may be used to fulfill the training requirements specified in this section. The department shall only approve training curriculum that:

(a) Has been developed with input from consumer and worker representatives; and

(b) Requires comprehensive instruction by qualified instructors.

(4) The department shall adopt rules to implement this section.

Sec. 8. RCW 74.39A.341 and 2013 c 259 s 3 are each amended to read as follows:

(1) All long-term care workers shall complete twelve hours of continuing education training in advanced training topics each year. This requirement applies beginning July 1, 2012.

(2) Completion of continuing education as required in this section is a prerequisite to maintaining home care aide certification under chapter 18.88B RCW.

(3) Unless voluntarily certified as a home care aide under chapter 18.88B RCW, subsection (1) of this section does not apply to:

(a) An individual provider caring only for his or her biological, step, or adoptive child;

(b) Registered nurses and licensed practical nurses licensed under chapter 18.79 RCW;

(c) Before January 1, 2016, a long-term care worker employed by a community residential service business; ~~(or)~~

(d) ~~(Before))~~ Until July 1, ((2014)) 2016, a person ~~(hired)~~ working as an individual provider who provides twenty hours or less of care for one person in any calendar month; or

(e) Until July 1, 2016, a person working as an individual provider who only provides respite services and works less than three hundred hours in any calendar year.

(4) Only training curriculum approved by the department may be used to fulfill the training requirements specified in this section. The department shall only approve training curriculum that:

(a) Has been developed with input from consumer and worker representatives; and

(b) Requires comprehensive instruction by qualified instructors.

(5) Individual providers under RCW 74.39A.270 shall be compensated for training time required by this section.

(6) The department of health shall adopt rules to implement subsection (1) of this section.

(7) The department shall adopt rules to implement subsection (2) of this section."

Correct the title.

Representative Kagi spoke in favor of the adoption of the amendment.

Amendment (972) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Kagi and Walsh spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6387, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6387, as amended by the House, and the bill passed the House by the following vote: Yeas, 93; Nays, 4; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Seaquist, Sells, Senn, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Overstreet, Scott, Shea and Taylor.

Excused: Representative Dahlquist.

SUBSTITUTE SENATE BILL NO. 6387, as amended by the House, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 5691, by Senate Committee on Ways & Means (originally sponsored by Senators Hewitt, Conway and Rolfes)

Concerning veterans' homes.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Hunter and Nealey spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5691.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5691, and the bill passed the House by the following vote: Yeas, 97; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, DeBolt,

Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Excused: Representative Dahlquist.

SUBSTITUTE SENATE BILL NO. 5691, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the seventh order of business.

THIRD READING

MESSAGE FROM THE SENATE

March 13, 2014

Mr. Speaker:

Upon reconsideration the Senate does not concur with the House amendment to SUBSTITUTE SENATE BILL NO. 6283 and asks the House to recede therefrom, and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

HOUSE AMENDMENT TO SENATE BILL

There being no objection, the House receded from its amendment. The rules were suspended and SUBSTITUTE SENATE BILL NO. 6283 was returned to second reading for the purpose of amendment.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

SUBSTITUTE SENATE BILL NO. 6283, by Senate Committee on Health Care (originally sponsored by Senators Becker, Bailey and Keiser)

Clarifying the practice of a phlebotomist.

The bill was read the second time.

Representative Cody moved the adoption of amendment (995).

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 18.360.050 and 2013 c 128 s 3 are each amended to read as follows:

(1) A medical assistant-certified may perform the following duties delegated by, and under the supervision of, a health care practitioner:

(a) Fundamental procedures:

(i) Wrapping items for autoclaving;

(ii) Procedures for sterilizing equipment and instruments;

(iii) Disposing of biohazardous materials; and

(iv) Practicing standard precautions.

(b) Clinical procedures:

(i) Performing aseptic procedures in a setting other than a hospital licensed under chapter 70.41 RCW;

(ii) Preparing of and assisting in sterile procedures in a setting other than a hospital under chapter 70.41 RCW;

(iii) Taking vital signs;

(iv) Preparing patients for examination;

(v) Capillary blood withdrawal, venipuncture, and intradermal, subcutaneous, and intramuscular injections; and

(vi) Observing and reporting patients' signs or symptoms.

(c) Specimen collection:

(i) Capillary puncture and venipuncture;

(ii) Obtaining specimens for microbiological testing; and

(iii) Instructing patients in proper technique to collect urine and fecal specimens.

(d) Diagnostic testing:

(i) Electrocardiography;

(ii) Respiratory testing; and

(iii)(A) Tests waived under the federal clinical laboratory improvement amendments program on July 1, 2013. The department shall periodically update the tests authorized under this subsection (1)(d) based on changes made by the federal clinical laboratory improvement amendments program; and

(B) Moderate complexity tests if the medical assistant-certified meets standards for personnel qualifications and responsibilities in compliance with federal regulation for nonwaived testing.

(e) Patient care:

(i) Telephone and in-person screening limited to intake and gathering of information without requiring the exercise of judgment based on clinical knowledge;

(ii) Obtaining vital signs;

(iii) Obtaining and recording patient history;

(iv) Preparing and maintaining examination and treatment areas;

(v) Preparing patients for, and assisting with, routine and specialty examinations, procedures, treatments, and minor office surgeries;

(vi) Maintaining medication and immunization records; and

(vii) Screening and following up on test results as directed by a health care practitioner.

(f)(i) Administering medications. A medical assistant-certified may only administer medications if the drugs are:

(A) Administered only by unit or single dosage, or by a dosage calculated and verified by a health care practitioner. For purposes of this section, a combination or multidose vaccine shall be considered a unit dose;

(B) Limited to legend drugs, vaccines, and Schedule III-V controlled substances as authorized by a health care practitioner under the scope of his or her license and consistent with rules adopted by the secretary under (f)(ii) of this subsection; and

(C) Administered pursuant to a written order from a health care practitioner.

(ii) A medical assistant-certified may not administer experimental drugs or chemotherapy agents. The secretary may, by rule, further limit the drugs that may be administered under this subsection (1)(f). The rules adopted under this subsection must limit the drugs based on risk, class, or route.

(g) Intravenous injections. A medical assistant-certified may administer intravenous injections for diagnostic or therapeutic agents under the direct visual supervision of a health care practitioner if the medical assistant-certified meets minimum standards established by the secretary in rule. The minimum standards must be substantially similar to the qualifications for category D and F health care assistants as they exist on July 1, 2013.

(h) Urethral catheterization when appropriately trained.

(2) A medical assistant-hemodialysis technician may perform hemodialysis when delegated and supervised by a health care practitioner. A medical assistant-hemodialysis technician may also administer drugs and oxygen to a patient when delegated and supervised by a health care practitioner and pursuant to rules adopted by the secretary.

(3) A medical assistant-phlebotomist may perform:

(a) Capillary, venous, or arterial invasive procedures for blood withdrawal when delegated and supervised by a health care practitioner and pursuant to rules adopted by the secretary;

(b) Tests waived under the federal clinical laboratory improvement amendments program on July 1, 2013. The department shall periodically update the tests authorized under this section based on changes made by the federal clinical laboratory improvement amendments program;

(c) Moderate and high complexity tests if the medical assistant-phlebotomist meets standards for personnel qualifications and responsibilities in compliance with federal regulation for nonwaived testing; and

(d) Electrocardiograms.

(4) A medical assistant-registered may perform the following duties delegated by, and under the supervision of, a health care practitioner:

(a) Fundamental procedures:

- (i) Wrapping items for autoclaving;
- (ii) Procedures for sterilizing equipment and instruments;
- (iii) Disposing of biohazardous materials; and
- (iv) Practicing standard precautions.

(b) Clinical procedures:

- (i) Preparing for sterile procedures;
- (ii) Taking vital signs;
- (iii) Preparing patients for examination; and
- (iv) Observing and reporting patients' signs or symptoms.

(c) Specimen collection:

- (i) Obtaining specimens for microbiological testing; and
- (ii) Instructing patients in proper technique to collect urine and fecal specimens.

(d) Patient care:

(i) Telephone and in-person screening limited to intake and gathering of information without requiring the exercise of judgment based on clinical knowledge;

(ii) Obtaining vital signs;

(iii) Obtaining and recording patient history;

(iv) Preparing and maintaining examination and treatment areas;

(v) Preparing patients for, and assisting with, routine and specialty examinations, procedures, treatments, and minor office surgeries utilizing no more than local anesthetic. The department may, by rule, prohibit duties authorized under this subsection (4)(d)(v) if performance of those duties by a medical assistant-registered would pose an unreasonable risk to patient safety;

(vi) Maintaining medication and immunization records; and

(vii) Screening and following up on test results as directed by a health care practitioner.

(e)(i) Tests waived under the federal clinical laboratory improvement amendments program on July 1, 2013. The department shall periodically update the tests authorized under subsection (1)(d) of this section based on changes made by the federal clinical laboratory improvement amendments program.

(ii) Moderate complexity tests if the medical assistant-registered meets standards for personnel qualifications and responsibilities in compliance with federal regulation for nonwaived testing.

(f) Administering eye drops, topical ointments, and vaccines, including combination or multidose vaccines.

(g) Urethral catheterization when appropriately trained."

Representatives Cody, Schmick and Pollet spoke in favor of the adoption of the amendment.

Amendment (995) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Cody and Schmick spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6283, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6283, as amended by the House, and the bill passed the House by the following vote: Yeas, 96; Nays, 1; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representative DeBolt.

Excused: Representative Dahlquist.

SUBSTITUTE SENATE BILL NO. 6283, as amended by the House, having received the necessary constitutional majority, was declared passed.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

SENATE BILL NO. 5318, by Senators Bailey, Becker, Roach, Hobbs, Holmquist Newbry, Honeyford, Hill, Chase, Billig, Kline, Cleveland, Carrell and Shin

Removing the one-year waiting period for veterans or active members of the military for purposes of eligibility for resident tuition.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Appleton and Johnson spoke in favor of the passage of the bill.

MOTION

On motion of Representative Harris, Representative DeBolt was excused.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Senate Bill No. 5318.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5318, and the bill passed the House by the following vote: Yeas, 96; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Excused: Representatives Dahlquist and DeBolt.

SENATE BILL NO. 5318, having received the necessary constitutional majority, was declared passed.

MESSAGES FROM THE SENATE

March 13, 2014

MR. SPEAKER:

The Senate has passed:

HOUSE BILL NO. 2585

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The Senate has adopted the report of the Conference Committee on ENGROSSED SUBSTITUTE SENATE BILL NO. 6002, and has passed the bill as recommended by the Conference Committee.

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The Senate concurred in the House amendment(s) to the following bills and passed the bills as amended by the House:

SUBSTITUTE SENATE BILL NO. 6283

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The Senate concurred in the House amendment(s) to the following bills and passed the bills as amended by the House:

ENGROSSED SUBSTITUTE SENATE BILL NO. 6040

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6518

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6552

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The Senate has passed:

ENGROSSED HOUSE BILL NO. 2397

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The Senate has passed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2746

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The Senate has passed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2304

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The Senate has passed:

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2207

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The President has signed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1287

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2029

SUBSTITUTE HOUSE BILL NO. 2175

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2207

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2304

HOUSE BILL NO. 2798

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The President has signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 6002

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The President has signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 6040
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6518
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6552
and the same are herewith transmitted.

Hunter G. Goodman, Secretary

The Speaker assumed the chair.

SIGNED BY THE SPEAKER

The Speaker signed the following bills:

SUBSTITUTE HOUSE BILL NO. 1260
ENGROSSED HOUSE BILL NO. 2397
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO.
2572
HOUSE BILL NO. 2585
ENGROSSED SUBSTITUTE SENATE BILL NO. 6002

The Speaker called upon Representative Moeller to preside.

MESSAGE FROM THE SENATE

March 13, 2014

MR. SPEAKER:

The Senate has passed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5875
and the same are herewith transmitted.

Hunter G. Goodman, Secretary

There being no objection, the House reverted to the fourth order of business.

INTRODUCTION & FIRST READING

There being no objection, ENGROSSED SUBSTITUTE SENATE BILL NO. 5875 was read the first time, and under suspension of the rules was placed on the second reading calendar.

There being no objection, the House advanced to the sixth order of business.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5875, by Senate Committee on Ways & Means (originally sponsored by Senator Hill)

Relating to human services. Revised for 1st Substitute: Concerning a surcharge for local homeless housing and assistance.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Sawyer, Buys and Pollet spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5875.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5875, and the bill passed the House by the following vote: Yeas, 74; Nays, 22; Absent, 0; Excused, 2.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Clibborn, Cody, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Harris, Hayes, Hudgins, Hunter, Hurst, Jinkins, Kagi, Kirby, Kochmar, Kristiansen, Lytton, MacEwen, Magendanz, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Ormsby, Ortiz-Self, Orwall, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ryu, S. Hunt, Santos, Sawyer, Seaquist, Sells, Senn, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Chandler, Christian, Condotta, G. Hunt, Hargrove, Hawkins, Holy, Hope, Johnson, Klippert, Kretz, Manweller, Orcutt, Overstreet, Parker, Ross, Schmick, Scott, Shea, Short, Taylor and Vick.

Excused: Representatives Dahlquist and DeBolt.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5875, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the seventh order of business.

THIRD READING

MESSAGE FROM THE SENATE

March 13, 2014

Mr. Speaker:

The Senate has passed ENGROSSED SUBSTITUTE HOUSE BILL NO. 2746 with the following amendment:

On page 2, line 32, after "implemented" strike "during the 2015-17 biennium, as soon as July 1, 2015, and no later than June 30, 2016" and insert "no later than August 30, 2015."

and the same is herewith transmitted.

Hunter Goodman, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 2746 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Green and Walsh spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 2746, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 2746, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 92; Nays, 4; Absent, 0; Excused, 2.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Seaquist, Sells, Senn, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Overstreet, Scott, Shea and Taylor.

Excused: Representatives Dahlquist and DeBolt.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2746, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

March 13, 2014

Mr. Speaker:

The Senate has passed ENGROSSED HOUSE BILL NO. 2335 with the following amendment:

On page 2, line 3, strike "Engaged", insert "Within amounts appropriated specifically for this purpose, engaged".
On page 5, line 27, strike "Engaged", insert "Within amounts appropriated specifically for this purpose, engaged".

and the same is herewith transmitted.

Hunter Goodman, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED HOUSE BILL NO. 2335 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representative Roberts spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 2335, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 2335, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 86; Nays, 10; Absent, 0; Excused, 2.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Kochmar, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Seaquist, Sells, Senn, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Condotta, G. Hunt, Klippert, Kretz, Overstreet, Scott, Shea, Short, Taylor and Vick.

Excused: Representatives Dahlquist and DeBolt.

ENGROSSED HOUSE BILL NO. 2335, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

The Speaker (Representative Moeller presiding) called upon Representative Orwall to preside.

RESOLUTION

HOUSE RESOLUTION NO. 4704, by Representatives Sullivan and Kretz

WHEREAS, It is necessary to provide for the continuation of the work of the House of Representatives after its adjournment and during the interim periods between legislative sessions;

NOW, THEREFORE, BE IT RESOLVED, That the Executive Rules Committee is hereby created by this resolution and shall consist of three members of the majority caucus and two members of the minority caucus, to be named by the Speaker of the House of Representatives and Minority Leader respectively; and

BE IT FURTHER RESOLVED, That the Executive Rules Committee may assign subject matters, bills, memorials, and resolutions to authorized committees of the House of Representatives for study during the interim, and the Speaker of the House of Representatives may create special and select committees as may be necessary to carry out the functions, including interim studies, of the House of Representatives in an orderly manner and shall appoint members to such committees with the approval of the Executive Rules Committee; and

BE IT FURTHER RESOLVED, That, during the interim, the schedules of and locations for all meetings of any committee or subcommittee shall be approved by the Executive Rules Committee, and those committees or subcommittees may conduct hearings and scheduling without a quorum being present; and

BE IT FURTHER RESOLVED, That, during the interim, authorized committees have the power of subpoena, the power to administer oaths, and the power to issue commissions for the examination of witnesses in accordance with chapter 44.16 RCW if and when specifically authorized by the Executive Rules Committee for specific purposes and specific subjects; and

BE IT FURTHER RESOLVED, That the Chief Clerk of the House of Representatives shall complete the work of the 2014 Regular Session of the Sixty-Third Legislature during interim

periods, and all details that arise therefrom, including the editing, indexing, and publishing of the journal of the House of Representatives; and

BE IT FURTHER RESOLVED, That the Chief Clerk of the House of Representatives shall make the necessary inventory of furnishings, fixtures, and supplies; and

BE IT FURTHER RESOLVED, That the Chief Clerk of the House of Representatives may approve vouchers of the members of the House of Representatives, covering expenses incurred during the interim for official business of the Legislature in accordance with policies set by the Executive Rules Committee, at the per diem rate provided by law and established by the Executive Rules Committee, for each day or major portion of a day, plus mileage at the rate provided by law and established by the Executive Rules Committee; and

BE IT FURTHER RESOLVED, That the Chief Clerk of the House of Representatives shall, during the interim, and as authorized by the Speaker of the House of Representatives, retain or hire any necessary employees and order necessary supplies, equipment, and printing to enable the House of Representatives to carry out its work promptly and efficiently, and accept committee reports, committee bills, prefiled bills, memorials, and resolutions as directed by the Rules of the House of Representatives and by Joint Rules of the Legislature; and

BE IT FURTHER RESOLVED, That the Chief Clerk of the House of Representatives shall have authority to carry out the directions of the Executive Rules Committee regarding the authorization and execution of any personal services contracts or subcontracts that necessitate the expenditure of House of Representatives appropriations; and

BE IT FURTHER RESOLVED, That the Chief Clerk of the House of Representatives shall execute the necessary vouchers upon which warrants are drawn for all legislative expenses and expenditures of the House of Representatives; and

BE IT FURTHER RESOLVED, That members and employees of the Legislature be reimbursed for expenses incurred in attending authorized conferences and meetings at the rate provided by law and established by the Executive Rules Committee, plus mileage to and from the conferences and meetings at the rate provided by law and established by the Executive Rules Committee, which reimbursement shall be paid on vouchers from any appropriation made to the House of Representatives for legislative expenses; and

BE IT FURTHER RESOLVED, That, during the interim, the use of the House of Representatives Chamber, any of its committee rooms, or any of the furniture or furnishings in them is permitted upon such terms and conditions as the Chief Clerk of the House of Representatives shall deem appropriate; and

BE IT FURTHER RESOLVED, That the Chief Clerk of the House of Representatives may express the sympathy of the House of Representatives by sending flowers and correspondence when the necessity arises; and

BE IT FURTHER RESOLVED, That this Resolution applies throughout the interim between sessions of the Sixty-Third Legislature, as well as any committee assembly.

The Speaker (Representative Orwall presiding) stated the question before the House to be adoption of House Resolution No. 4704.

HOUSE RESOLUTION NO. 4704 was adopted.

MESSAGES FROM THE SENATE

March 13, 2014

MR. SPEAKER:

The President has signed:

SENATE BILL NO. 5318
SUBSTITUTE SENATE BILL NO. 5691

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The President has signed:

SENATE BILL NO. 5981

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The President has signed:

ENGROSSED HOUSE BILL NO. 1224
SUBSTITUTE HOUSE BILL NO. 1260

ENGROSSED HOUSE BILL NO. 2397

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2572

HOUSE BILL NO. 2585

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

The Senate has adopted:

SENATE CONCURRENT RESOLUTION NO. 8410

SENATE CONCURRENT RESOLUTION NO. 8411

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

The Speaker assumed the chair.

SIGNED BY THE SPEAKER

The Speaker signed the following bills:

SENATE BILL NO. 5318

SUBSTITUTE SENATE BILL NO. 5691

SENATE BILL NO. 5981

The Speaker called upon Representative Orwall to preside.

There being no objection, the House reverted to the fourth order of business.

INTRODUCTION & FIRST READING

There being no objection, SENATE CONCURRENT RESOLUTION NO. 8410 was read the first time, and under suspension of the rules was placed on the second reading calendar.

There being no objection, the House advanced to the sixth order of business.

SECOND READING

SENATE CONCURRENT RESOLUTION NO. 8410, by
Senators Tom and Nelson

Returning bills to their house of origin.

The concurrent resolution was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the concurrent resolution was placed on final passage.

The Speaker (Representative Orwall presiding) stated the question before the House to be the adoption of Senate Concurrent Resolution No. 8410.

SENATE CONCURRENT RESOLUTION NO. 8410 was adopted.

There being no objection, the House reverted to the fourth order of business.

INTRODUCTION & FIRST READING

There being no objection, SENATE CONCURRENT RESOLUTION NO. 8411 was read the first time, and under suspension of the rules was placed on the second reading calendar.

There being no objection, the House advanced to the sixth order of business.

SECOND READING**SENATE CONCURRENT RESOLUTION NO. 8411, by Senators Tom and Nelson****Adjourning SINE DIE.**

The concurrent resolution was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the concurrent resolution was placed on final passage.

The Speaker (Representative Orwall presiding) stated the question before the House to be the adoption of Senate Concurrent Resolution No. 8411.

SENATE CONCURRENT RESOLUTION NO. 8411 was adopted.

MESSAGE FROM THE SENATE

March 13, 2014

MR. SPEAKER:

The President has signed:

SENATE CONCURRENT RESOLUTION NO. 8410
SENATE CONCURRENT RESOLUTION NO. 8411
and the same are herewith transmitted.

Hunter G. Goodman, Secretary

The Speaker assumed the chair.

SIGNED BY THE SPEAKER

The Speaker signed the following bills:

SENATE CONCURRENT RESOLUTION NO. 8410
SENATE CONCURRENT RESOLUTION NO. 8411

The Speaker called upon Representative Orwall to preside.

MESSAGES FROM THE SENATE

March 13, 2014

MR. SPEAKER:

Under the provisions of SENATE CONCURRENT RESOLUTION NO. 8410, the following House Bills were returned to the House of Representatives:

HOUSE BILL NO. 1008
ENGROSSED HOUSE BILL NO. 1011
ENGROSSED HOUSE BILL NO. 1013
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1017
SUBSTITUTE HOUSE BILL NO. 1027
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1038
HOUSE BILL NO. 1043
SUBSTITUTE HOUSE BILL NO. 1047
HOUSE BILL NO. 1063
HOUSE BILL NO. 1064
SECOND SUBSTITUTE HOUSE BILL NO. 1072
SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1083
SUBSTITUTE HOUSE BILL NO. 1103
SUBSTITUTE HOUSE BILL NO. 1107
HOUSE BILL NO. 1118
HOUSE BILL NO. 1145
SUBSTITUTE HOUSE BILL NO. 1156
HOUSE BILL NO. 1173
HOUSE BILL NO. 1179
HOUSE BILL NO. 1185
HOUSE BILL NO. 1251
ENGROSSED HOUSE BILL NO. 1267
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1279
HOUSE BILL NO. 1286
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1294
SUBSTITUTE HOUSE BILL NO. 1298
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1313
HOUSE BILL NO. 1339
HOUSE BILL NO. 1348
ENGROSSED HOUSE BILL NO. 1367
SUBSTITUTE HOUSE BILL NO. 1402
SUBSTITUTE HOUSE BILL NO. 1409
SUBSTITUTE HOUSE BILL NO. 1413
SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1448
SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1467
HOUSE BILL NO. 1486
SUBSTITUTE HOUSE BILL NO. 1536
ENGROSSED HOUSE BILL NO. 1538
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1563
SECOND SUBSTITUTE HOUSE BILL NO. 1574
ENGROSSED HOUSE BILL NO. 1593
HOUSE BILL NO. 1597
SUBSTITUTE HOUSE BILL NO. 1635
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1654
SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1675
HOUSE BILL NO. 1684
SECOND ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1727
HOUSE BILL NO. 1783
SUBSTITUTE HOUSE BILL NO. 1805
SUBSTITUTE HOUSE BILL NO. 1814
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1817
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1838
SUBSTITUTE HOUSE BILL NO. 1843
SUBSTITUTE HOUSE BILL NO. 1858
HOUSE BILL NO. 1859
SECOND SUBSTITUTE HOUSE BILL NO. 1888
HOUSE BILL NO. 1892

HOUSE BILL NO. 1896
 ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1902
 SECOND SUBSTITUTE HOUSE BILL NO. 1909
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1950
 ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1960
 HOUSE BILL NO. 2017
 SUBSTITUTE HOUSE BILL NO. 2018
 SECOND SUBSTITUTE HOUSE BILL NO. 2041
 HOUSE BILL NO. 2061
 SUBSTITUTE HOUSE BILL NO. 2074
 SUBSTITUTE HOUSE BILL NO. 2098
 SUBSTITUTE HOUSE BILL NO. 2121
 SUBSTITUTE HOUSE BILL NO. 2126
 HOUSE BILL NO. 2127
 SUBSTITUTE HOUSE BILL NO. 2135
 HOUSE BILL NO. 2148
 SUBSTITUTE HOUSE BILL NO. 2150
 SUBSTITUTE HOUSE BILL NO. 2152
 SUBSTITUTE HOUSE BILL NO. 2157
 SUBSTITUTE HOUSE BILL NO. 2162
 SUBSTITUTE HOUSE BILL NO. 2165
 SECOND SUBSTITUTE HOUSE BILL NO. 2166
 HOUSE BILL NO. 2169
 HOUSE BILL NO. 2170
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2177
 SUBSTITUTE HOUSE BILL NO. 2178
 SUBSTITUTE HOUSE BILL NO. 2183
 SUBSTITUTE HOUSE BILL NO. 2196
 SUBSTITUTE HOUSE BILL NO. 2197
 SUBSTITUTE HOUSE BILL NO. 2205
 SUBSTITUTE HOUSE BILL NO. 2215
 HOUSE BILL NO. 2219
 HOUSE BILL NO. 2231
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2235
 HOUSE BILL NO. 2254

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

Under the provisions of SENATE CONCURRENT RESOLUTION NO. 8410, the following House Bills were returned to the House of Representatives:

SUBSTITUTE HOUSE BILL NO. 2255
 ENGROSSED HOUSE BILL NO. 2278
 SUBSTITUTE HOUSE BILL NO. 2282
 HOUSE BILL NO. 2285
 HOUSE BILL NO. 2294
 HOUSE BILL NO. 2301
 HOUSE BILL NO. 2302
 HOUSE BILL NO. 2329
 SUBSTITUTE HOUSE BILL NO. 2331
 HOUSE BILL NO. 2332
 SECOND SUBSTITUTE HOUSE BILL NO. 2333
 HOUSE BILL NO. 2334
 SUBSTITUTE HOUSE BILL NO. 2339
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2341
 ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2347
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2353
 SUBSTITUTE HOUSE BILL NO. 2364
 SUBSTITUTE HOUSE BILL NO. 2365
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2368
 SUBSTITUTE HOUSE BILL NO. 2371
 SUBSTITUTE HOUSE BILL NO. 2372
 SUBSTITUTE HOUSE BILL NO. 2373
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2374
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2376
 SUBSTITUTE HOUSE BILL NO. 2378
 HOUSE BILL NO. 2381
 HOUSE BILL NO. 2386
 HOUSE BILL NO. 2404

HOUSE BILL NO. 2405
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2406
 HOUSE BILL NO. 2407
 HOUSE BILL NO. 2408
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2414
 SUBSTITUTE HOUSE BILL NO. 2420
 HOUSE BILL NO. 2426
 HOUSE BILL NO. 2436
 HOUSE BILL NO. 2437
 HOUSE BILL NO. 2438
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2439
 HOUSE BILL NO. 2440
 ENGROSSED HOUSE BILL NO. 2442
 ENGROSSED HOUSE BILL NO. 2447
 HOUSE BILL NO. 2450
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2451
 SUBSTITUTE HOUSE BILL NO. 2467
 HOUSE BILL NO. 2473
 SUBSTITUTE HOUSE BILL NO. 2474
 HOUSE BILL NO. 2479
 SUBSTITUTE HOUSE BILL NO. 2481
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 SECOND SUBSTITUTE HOUSE BILL NO. 2486
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2500
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2512
 SUBSTITUTE HOUSE BILL NO. 2518
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 SUBSTITUTE HOUSE BILL NO. 2531
 HOUSE BILL NO. 2534
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2535
 SUBSTITUTE HOUSE BILL NO. 2537
 SUBSTITUTE HOUSE BILL NO. 2541
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2543
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2546
 SUBSTITUTE HOUSE BILL NO. 2552
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2556
 HOUSE BILL NO. 2573
 SUBSTITUTE HOUSE BILL NO. 2576
 ENGROSSED HOUSE BILL NO. 2582
 HOUSE BILL NO. 2583
 HOUSE BILL NO. 2590
 SUBSTITUTE HOUSE BILL NO. 2592
 SUBSTITUTE HOUSE BILL NO. 2593
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2594
 HOUSE BILL NO. 2598
 SUBSTITUTE HOUSE BILL NO. 2605
 ENGROSSED HOUSE BILL NO. 2617
 ENGROSSED HOUSE BILL NO. 2618
 SUBSTITUTE HOUSE BILL NO. 2624
 SUBSTITUTE HOUSE BILL NO. 2634
 ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2639
 HOUSE BILL NO. 2642
 SUBSTITUTE HOUSE BILL NO. 2644
 HOUSE BILL NO. 2646
 HOUSE BILL NO. 2647
 SUBSTITUTE HOUSE BILL NO. 2665
 SUBSTITUTE HOUSE BILL NO. 2675
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 ENGROSSED HOUSE BILL NO. 2684
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 ENGROSSED HOUSE BILL NO. 2752
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2759
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2762
 HOUSE BILL NO. 2777

HOUSE CONCURRENT RESOLUTION NO. 4416
and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 13, 2014

MR. SPEAKER:

Under the provisions of SENATE CONCURRENT RESOLUTION NO. 8410, the following House Bills were returned to the House of Representatives:

ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO. 1005
SECOND SUBSTITUTE HOUSE BILL NO. 1170
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1484
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1674
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1769
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1820
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2002
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2149
SUBSTITUTE HOUSE BILL NO. 2201
SUBSTITUTE HOUSE BILL NO. 2244
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2306
SUBSTITUTE HOUSE BILL NO. 2336
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2377
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2383
SUBSTITUTE HOUSE BILL NO. 2410
SUBSTITUTE HOUSE BILL NO. 2415
SECOND SUBSTITUTE HOUSE BILL NO. 2517
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2540
HOUSE BILL NO. 2553
ENGROSSED HOUSE BILL NO. 2558
SUBSTITUTE HOUSE BILL NO. 2610
SECOND SUBSTITUTE HOUSE BILL NO. 2643
SUBSTITUTE HOUSE BILL NO. 2651
SECOND SUBSTITUTE HOUSE BILL NO. 2694
SUBSTITUTE HOUSE BILL NO. 2719
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2748
HOUSE BILL NO. 2790
HOUSE BILL NO. 2794
ENGROSSED HOUSE BILL NO. 2797

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

MOTIONS

Under the provisions of SENATE CONCURRENT RESOLUTION NO. 8410, the following Senate bills are returned to the Senate:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5020
ENGROSSED SENATE BILL NO. 5097
SENATE BILL NO. 5112
SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5127
ENGROSSED SUBSTITUTE SENATE BILL NO. 5138
SENATE BILL NO. 5158
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5199
SUBSTITUTE SENATE BILL NO. 5334
ENGROSSED SENATE BILL NO. 5430
ENGROSSED SENATE BILL NO. 5514
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5540
SENATE BILL NO. 5633
SUBSTITUTE SENATE BILL NO. 5676
ENGROSSED SUBSTITUTE SENATE BILL NO. 5697
ENGROSSED SUBSTITUTE SENATE BILL NO. 5731
SUBSTITUTE SENATE BILL NO. 5872
ENGROSSED SUBSTITUTE SENATE BILL NO. 5886
ENGROSSED THIRD SUBSTITUTE SENATE BILL NO. 5887
SENATE BILL NO. 5910
SENATE BILL NO. 5957
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SUBSTITUTE SENATE BILL NO. 5975
SENATE BILL NO. 5979

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ENGROSSED SENATE BILL NO. 6194
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SUBSTITUTE SENATE BILL NO. 6207
SUBSTITUTE SENATE BILL NO. 6211
SECOND SUBSTITUTE SENATE BILL NO. 6215
ENGROSSED SENATE BILL NO. 6220
SUBSTITUTE SENATE BILL NO. 6237
ENGROSSED SENATE BILL NO. 6248
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SECOND SUBSTITUTE SENATE BILL NO. 6402
SUBSTITUTE SENATE BILL NO. 6418
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6423
ENGROSSED SUBSTITUTE SENATE BILL NO. 6430
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ENGROSSED SUBSTITUTE SENATE BILL NO. 6472
ENGROSSED SUBSTITUTE SENATE BILL NO. 6478
SENATE BILL NO. 6497
ENGROSSED SUBSTITUTE SENATE BILL NO. 6499
ENGROSSED SUBSTITUTE SENATE BILL NO. 6512
SUBSTITUTE SENATE BILL NO. 6515
SUBSTITUTE SENATE BILL NO. 6516
SENATE BILL NO. 6519
ENGROSSED SUBSTITUTE SENATE BILL NO. 6542

ENGROSSED SENATE BILL NO. 6549
ENGROSSED SENATE BILL NO. 6550
SENATE BILL NO. 6555
SUBSTITUTE SENATE BILL NO. 6558
SUBSTITUTE SENATE BILL NO. 6572
SENATE JOINT MEMORIAL NO. 8015

On motion of Representative Sullivan, the 2014 Regular Session of the 63rd Legislature was adjourned SINE DIE.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

On motion of Representative Sullivan, the reading of the Journal of the 60th Day of the 2014 Regular Session of the 63rd Legislature was dispensed with and ordered to stand approved.

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